

# Westerville City School District

## Comprehensive Annual Financial Report

For Fiscal Year Ended  
June 30, 2018



Board of Education  
Westerville City School District  
Westerville, Ohio

**Westerville City School District**

**Westerville, Ohio**



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**Westerville City School District**

**Westerville, Ohio**



**Comprehensive Annual Financial Report**

**For Fiscal Year Ended June 30, 2018**

**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*  
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*For the Fiscal Year Ended June 30, 2018*

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# 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.

## Mission

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

## Values

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

December 20, 2018

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

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, 2018. 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.

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, 2018*

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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 15,321, and the District’s estimated population is 96,383 (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*, as amended by 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* 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, 2018, were as follows:

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

## **WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

### *Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2018*

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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 34th 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, 2018.

### **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 21<sup>st</sup> century.

Employment in Westerville has remained fairly steady with unemployment in June of 2017 of approximately 3.7% decreasing to 3.5% as of June 2018. 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 1,800 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, 2018*

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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, 2015 through August 31, 2018. The agreement provides a 2.0% raise and \$900 stipend effective for fiscal year 2015 through 2018. In July of 2018, the Board and the WEA signed a new three-year agreement effective September 1, 2018 through August 31, 2021. The agreement provides a 2.6% raise effective for each year of the contract.

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 June of 2014, all three unions approved four year agreements. The agreements provide a 2.0% raise for fiscal year 2015 through 2018. In July of 2018, all three unions approved new three year agreements. 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 internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with 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, 2018*

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#### **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 September 2018, shows a positive available fund balance through 2023.

### **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, 2017. 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 2018 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, 2018*

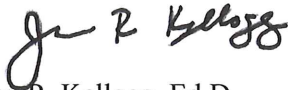
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**Acknowledgments**

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, 2018*

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**BOARD OF EDUCATION**

President

Gerrie Cotter

Vice President

Tracy Davidson

Member

Richard Bird

Member

Dr. Nancy Nestor-Baker

Member

Rick Vilardo

**APPOINTED OFFICIALS**

Superintendent

Dr. John Kellogg

Interim Treasurer

Laura Hendricks

**ADMINISTRATIVE STAFF**

Deputy Superintendent

Mark Hershiser

Executive Director, Human Relations

Lori Lofton

Executive Director, Business Services

Scott Dorne

Executive Director, Communications

Greg Viebranz

Executive Director, Elementary Academic Affairs

Barbara Wallace

Executive Director, Secondary Academic Affairs

Scott Reeves

Principal, Westerville North High School

Kurt Yancey

Principal, Westerville South High School

Mike Starner

Principal, Westerville Central High School

Tom Lanier

Principal, Blendon Middle School

Kendall Harris

Principal, Genoa Middle School

Mike Hinze

Principal, Heritage Middle School

Dru Tomlin

Principal, Walnut Springs Middle School

Becca Yann

Principal, Alcott Elementary School

Lauren DeMars

Principal, Annehurst Elementary School

Earl Rahm

Principal, Cherrington Elementary School

Andy Heck

Principal, Emerson Elementary School

Chris Doolittle

Principal, Fouse Elementary School

Robert Stranges

Principal, Hanby Elementary School

Monica Brown

Principal, Hawthorne Elementary School

Angela Ervin

Principal, Huber Ridge Elementary School

Tyson Hilkert

Principal, Longfellow Elementary School

Chris Doolittle

Principal, Mark Twain Elementary School

Vicki Moss

Principal, McVay Elementary School

Scott May

Principal, Pointview Elementary School

Sherry Birchem

Principal, Robert Frost Elementary School

Sarah Berka

Principal, Whittier Elementary School

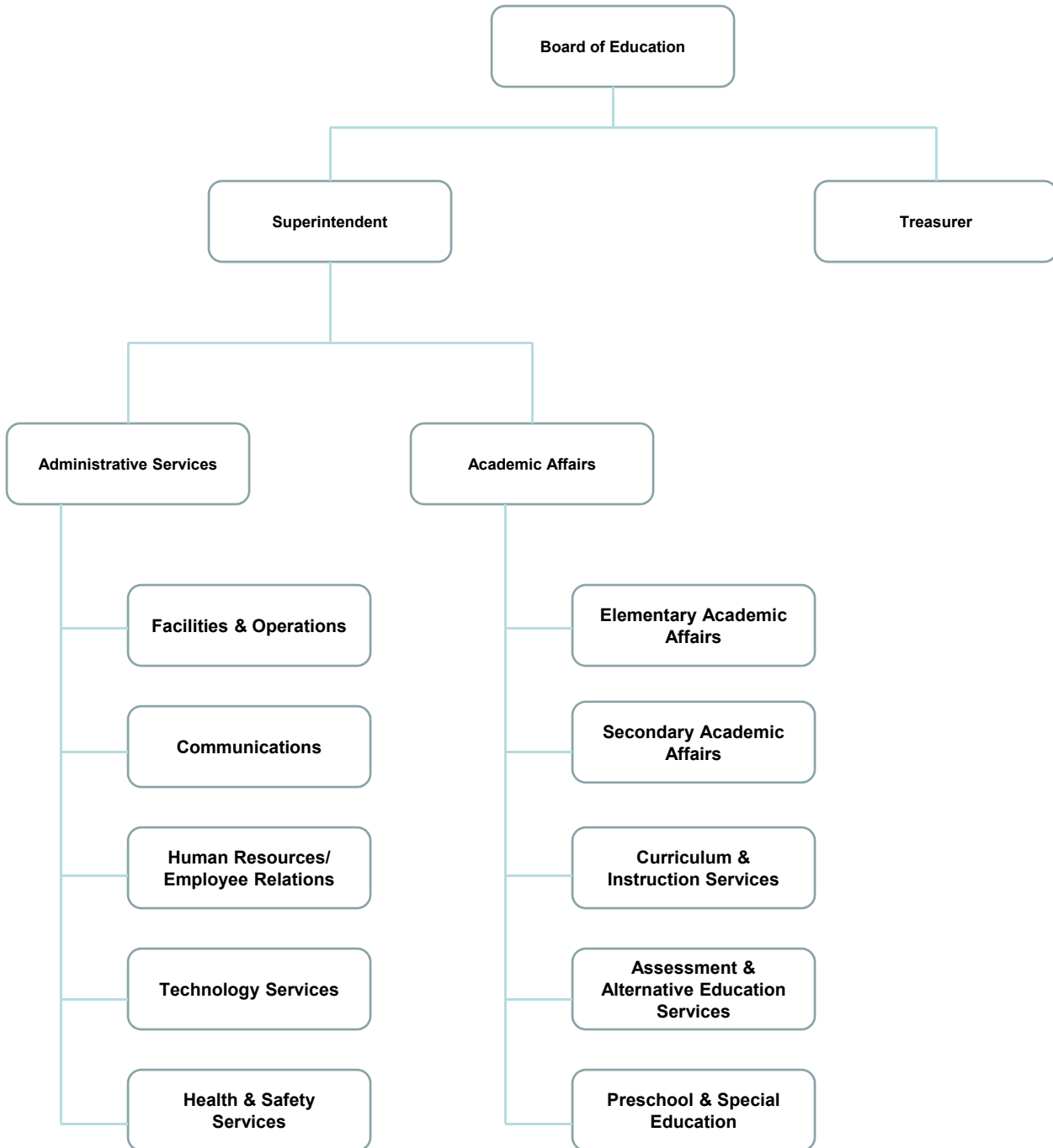
Cheryl Relford

Principal, Wilder Elementary School

Dr. Victoria Hazlett

# Westerville City School District, Ohio

Table of Organization for Administrators  
For Fiscal Year ended June 30, 2018





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, 2017**

*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



**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, 2018, 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, 2018, 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.

***Emphasis of Matter***

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

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other postemployment benefit liabilities and pension and other postemployment 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, 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.



Julian & Grube, Inc.  
December 20, 2018



**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, 2018*  
*Unaudited*

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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, 2018. 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 \$107.4 million or 200.2%. Program revenues accounted for \$26.9 million or 12.6% of total revenues, and general revenues accounted for \$186.2 million or 87.4%.

The general fund reported a positive fund balance of \$138.9 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 and the permanent improvement 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 2018?" 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, 2018*  
*Unaudited*

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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 23. The fund financial statements begin on page 29 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 the Intra-District Services Fund which provides copy and print services to other funds, as well as 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 38-39. 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 \$53.7M at the close of the most recent fiscal year. This is due to the implementation of GASB 75 which is discussed below.

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Long term liabilities decreased primarily due to a decrease in net pension liability. This factor is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions to District employees, not the District. A significant portion of the District's net position, \$87.8 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, \$19.6 million, represents resources subject to external restrictions on how they may be used.

Table 1 provides a comparative analysis of fiscal year 2018 to 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

(Table 1)  
Net Position

	Governmental Activities	
	2018	Restated 2017
Current assets	\$280,034,535	\$254,114,876
Capital assets	<u>149,717,174</u>	<u>152,189,150</u>
Total assets	429,751,709	406,304,026
Deferred outflows	76,196,707	63,867,243
Current liabilities	31,033,729	29,444,804
Long term liabilities	<u>320,878,653</u>	<u>411,740,186</u>
Total liabilities	351,912,382	441,184,990
Deferred inflows	100,274,604	82,664,257
Net position:		
Net investment in capital assets	87,764,935	81,138,315
Restricted	19,636,223	18,597,612
Unrestricted	<u>(53,639,728)</u>	<u>(153,413,905)</u>
Total net position	<u>\$53,761,430</u>	<u>(\$53,677,978)</u>

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The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For 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.

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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. 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. This implementation also had the effect of restating net position at June 30, 2017, from \$59,835 to (\$53,677,978).

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$316,872 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$7,466,262. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	\$ 105,600,280
Negative OPEB expense under GASB 75	7,466,262
2018 contractually required contributions	<u>395,924</u>
Adjusted 2018 program expenses	113,462,466
Total 2017 program expenses under GASB 45	<u>198,190,049</u>
Decrease in program expenses not related to OPEB	<u>\$ (84,727,583)</u>

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Table 2 shows the changes in net position for fiscal year 2018 and 2017. The net position at June 30, 2017 has been restated as described in Note 3.A.

(Table 2)  
Changes in Net Position

	Governmental Activities	
		Resated
	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 9,095,604	\$ 7,199,141
Operating grants	17,789,781	18,488,351
Capital grants	-	176,247
Total program revenues	<u>26,885,385</u>	<u>25,863,739</u>
General revenues		
Property taxes	127,180,597	125,949,770
Grants and entitlements	54,044,147	52,312,476
Payment in lieu of taxes	3,918,615	3,435,072
Investment income	959,858	304,147
Miscellaneous	<u>51,086</u>	<u>207,208</u>
Total general revenues	<u>186,154,303</u>	<u>182,208,673</u>
Total revenues	<u>\$ 213,039,688</u>	<u>\$ 208,072,412</u>
Expenses		
Instruction		
Regular	\$ 40,163,402	\$ 84,233,891
Special	17,805,654	31,521,679
Vocational	474,237	444,595
Other	491,746	583,781
Support services		
Pupil	6,354,718	16,292,308
Instructional staff	3,008,329	6,628,390
Board of Education	1,101,088	1,177,092
Administration	6,187,446	12,900,657
Fiscal	2,225,049	3,102,165
Business	281,468	1,481,475
Operations and maintenance	9,425,832	13,981,402
Pupil transportation	5,865,512	9,111,824
Central services	1,861,420	2,882,809
Other non-instructional services	739,334	1,551,059
Food service operations	3,900,171	5,697,364
Extracurricular activities	2,067,512	3,568,071
Interest and fiscal charges	<u>3,647,362</u>	<u>3,031,487</u>
Total expenses	<u>\$ 105,600,280</u>	<u>\$ 198,190,049</u>
Change in net position	107,439,408	9,882,363
Net position, beginning of year (restated)	<u>(53,677,978)</u>	<u>N/A</u>
Net position, end of year	<u>\$ 53,761,430</u>	<u>\$ (53,677,978)</u>

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*Governmental Activities*

The net position of the District's governmental activities increased by \$107.4 million. Net position reflects a positive balance of \$53.8 million. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible. As the financial outlook of the District has stabilized and our Five Year Forecast shows a positive ending cash balance through 2023, Board of Education has reinstated many of the reductions in staff and programs that had remained in effect since the passage of an emergency levy in 2012 as well as implemented some new programs. The most significant of these was the Teaching and Learning Roadmap which spent ~\$9 million over five years on student devices, hardware and professional development with the goal of the District having a 2:1 device to student ratio.

Expenses of the governmental activities decreased \$92,589,769 or 46.7%. This decrease is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported (\$63,248,618) in pension expense and (\$7,466,262) in OPEB expense mainly due to these benefit changes.

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)

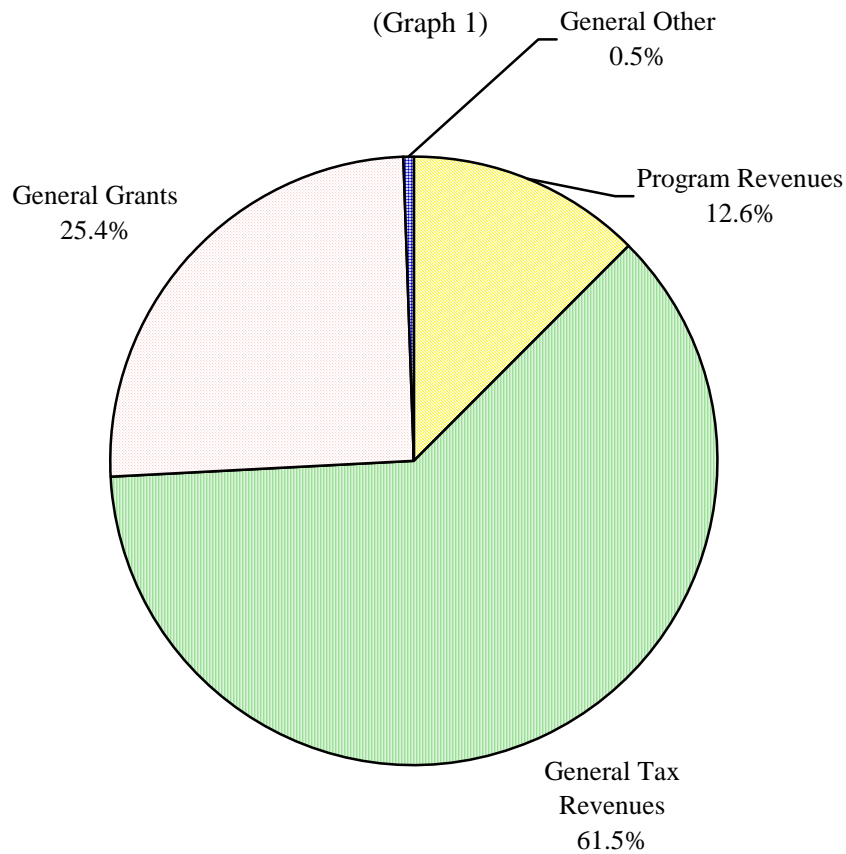
	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Program expenses				
Instruction				
Regular	\$ 40,163,402	\$ 84,233,891	\$ 36,135,398	\$ 81,578,199
Special	17,805,654	31,521,679	7,539,688	21,003,102
Vocational	474,237	444,595	4,087	(25,555)
Other	491,746	583,781	393,035	523,838
Support services				
Pupil	6,354,718	16,292,308	5,613,172	15,540,697
Instructional staff	3,008,329	6,628,390	1,989,815	5,658,926
Board of Education	1,101,088	1,177,092	1,101,088	1,177,092
Administration	6,187,446	12,900,657	5,913,773	12,628,676
Fiscal	2,225,049	3,102,165	2,194,995	3,077,678
Business	281,468	1,481,475	281,468	1,481,475
Operations and maintenance	9,425,832	13,981,402	8,564,522	13,136,364
Pupil transportation	5,865,512	9,111,824	5,365,962	8,439,145
Central	1,861,420	2,882,809	1,823,620	2,845,009
Other non-instructional services	739,334	1,551,059	(323,264)	279,609
Food service operations	3,900,171	5,697,364	(2,196,029)	(365,497)
Extracurricular activities	2,067,512	3,568,071	666,203	2,316,065
Interest and fiscal charges	3,647,362	3,031,487	3,647,362	3,031,487
Total expenses	<u>\$ 105,600,280</u>	<u>\$ 198,190,049</u>	<u>\$ 78,714,895</u>	<u>\$ 172,326,310</u>



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The District's reliance upon tax revenues is demonstrated by the graph below indicating 61.5% of total revenues from local taxes. The other large portion of general revenue support is the State Foundation program as 25.4% of total revenues. The reliance on general revenues is indicated by the net services column reflecting the need for \$78.7 million of support as well as the graph indicating general revenues comprise 87.4% of total revenues.



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***The District's Funds***

The District's governmental funds (as presented on the Balance Sheet on page 30) reported a combined fund balance of \$161.6 million, which represents an increase of \$19.6 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2018 and 2017.

(Table 4)

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Increase
General	\$ 138,939,426	\$ 121,855,807	\$ 17,083,619
Debt Service	8,940,652	8,497,852	442,800
Permanent Improvement	9,451,972	8,140,625	1,311,347
Other Governmental	4,272,627	3,508,236	764,391
<b>Total</b>	<b><u>\$ 161,604,677</u></b>	<b><u>\$ 142,002,520</u></b>	<b><u>\$ 19,602,157</u></b>

***General Fund***

The District's general fund balance has increased in each of the last three years due to revenues that continue to increase and exceed expenditures. Property tax revenue increased \$2.3 million due the change in the in the federal tax law in regards to the limit of deductibility of property, state and local income taxes. There is anecdotal evidence that taxpayers that had the cash pre-paid their entire 2018 tax bill prior to January 1, 2018, to take credit on their 2017 federal tax returns. Intergovernmental – state revenue increased \$1.7 million due to increased State Aid. State Aid is based on a complex funding formula created by the State. While the District did have an increase in State funding, the District is what is called a “capped” District. Meaning the State does not have the money to fully fund the formula and therefore the District received \$12M less than calculated. In 2018 the other revenue has increased \$2 million due to increased special needs tuition from other Districts and reimbursements of special needs catastrophic costs of \$1.6M and increased investment income of \$600K. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

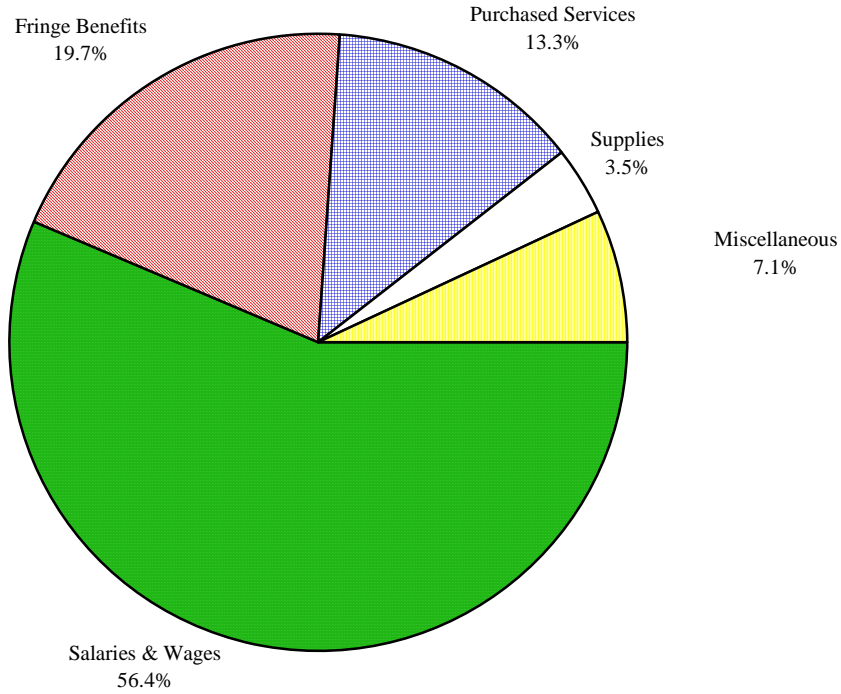
(Table 5)

<b>Revenues by Source</b>	2018	2017	% Change
Revenues			
Taxes	\$ 112,656,754	\$ 110,333,526	2.11%
Payment in lieu of taxes	3,918,615	3,435,072	14.08%
Intergovernmental - state	59,419,644	57,693,871	2.99%
Other revenue	6,973,814	4,981,167	40.00%
<b>Total</b>	<b><u>\$ 182,968,827</u></b>	<b><u>\$ 176,443,636</u></b>	<b><u>3.70%</u></b>

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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	2018	2017	% Change
Salaries and Wages	\$ 93,705,667	\$ 91,987,669	1.87%
Fringe Benefits	32,609,645	31,232,818	4.41%
Purchased Services	22,031,123	20,439,711	7.79%
Supplies	5,820,011	6,017,915	-3.29%
Miscellaneous	<u>11,693,098</u>	<u>13,409,024</u>	<u>-12.80%</u>
Total	<u>\$ 165,859,544</u>	<u>\$ 163,087,137</u>	<u>1.70%</u>

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Expenditures have increased \$2.8 million over the prior year. Salaries and wages and fringe benefits have increased \$3.1 million due to salary increases and rising costs of medical insurance. However, this increase was partially offset as a result of new and replacement staff coming in under projections and as a result of how pay days fell in the fiscal year. Certificated and some classified staff were paid over 27 pays instead of the usual 26 pays. Purchased Services increased \$1.6 million due to students educated out of the District through community schools, open enrollment to other Districts and special needs students using the Autism and Peterson Scholarships state programs to attend elsewhere. Miscellaneous decreased \$1.7 due to one time expenditures in 2017 for a renovation to Pointview Elementary and a fabrication lab at North High School.

*Other Funds*

The District's debt service fund balance increased by \$443 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 a increase in fund balance of \$1.3 million. 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 were \$4.9 million for District facilities acquisition and construction costs 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 timing of expenditures.

Nonmajor governmental funds consist of special revenue funds. The increase in fund balance of \$764 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 real estate taxes increased \$2.9 million due to reappraisal that occurred with 2017 values (tax revenue 2018) and substantial growth was realized. Residential property values grew by \$214 million. However, property value growth does not generate commensurate property tax revenue. This is known as the impact from HB 920, whereby the tax rates are rolled back to negate most of the impact. While the voters approved the substitute renewal of its emergency levy in 2016 that allows growth from new construction after that point, we believe that the majority of the increase is due to the change in the in the federal tax law in regards to the limit of deductibility of property, state and local income taxes. There is anecdotal evidence that taxpayers that had the cash pre-paid their entire 2018 tax bill prior to January 1, 2018, to take credit on their 2017 federal tax returns. The budget for tuition, fees, interest and miscellaneous did increase \$2.8 million due to increased special needs tuition from other Districts of \$900K, increased investment income of \$500K, increased reimbursements of special needs catastrophic costs of \$450K, an E-rate reimbursement of \$546K and refunds from Bureau of Worker's Compensation of \$408K.

On the expenditure side of the budget the District approved a Final Appropriations measure in June 2017 which included an estimated 100% of total expenditures for the General Fund. The decrease between original budgeted expenditures and final budgeted expenditures of \$3.5 million was primarily due to salaries and wages and benefits as result of new and replacement staff coming in under projections and as a result of how pay days fell in the fiscal year certificated and some classified staff were paid over 27 pays instead of the usual 26 pays.

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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 augmented with resources for special education students in the specific buildings. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The site and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

**Capital Assets**

The District has \$149.7 million invested in capital assets net of depreciation. Acquisitions totaled \$5.4 million and depreciation was \$7.8 million. Capital asset disposals, net of accumulated depreciation, were \$88 thousand. The acquisitions were for various land and building improvements, equipment and buses.

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, 2018, the District had \$64.3 million in outstanding bonds. The District paid \$8.7 million in principal on bonds outstanding and \$2.4 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, 2018, 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, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 138,151,230
Receivables:	
Property taxes . . . . .	136,188,361
Payment in lieu of taxes . . . . .	2,540,801
Accounts. . . . .	102,155
Accrued interest . . . . .	163,635
Intergovernmental . . . . .	1,504,883
Prepayments . . . . .	1,345,425
Materials and supplies inventory. . . . .	9,823
Inventory held for resale. . . . .	28,222
Capital assets:	
Nondepreciable capital assets . . . . .	6,171,926
Depreciable capital assets, net. . . . .	143,545,248
Capital assets, net . . . . .	<u>149,717,174</u>
Total assets. . . . .	<u>429,751,709</u>
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	2,181,843
Pension . . . . .	71,475,485
OPEB . . . . .	2,539,379
Total deferred outflows of resources . . . . .	<u>76,196,707</u>
 <b>Liabilities:</b>	
Accounts payable. . . . .	1,747,959
Accrued wages and benefits payable . . . . .	14,468,068
Intergovernmental payable . . . . .	388,854
Pension and postemployment obligation payable. . . . .	2,288,512
Accrued interest payable . . . . .	190,935
Unearned revenue . . . . .	1,803,326
Claims payable. . . . .	1,353,000
Matured bonds payable . . . . .	31,171
Long-term liabilities:	
Due within one year. . . . .	8,761,904
Due in more than one year:	
Net pension liability (See Note 14) . . . . .	204,119,758
Other amounts due in more than one year . . . . .	73,302,111
Net OPEB liability (See Note 15) . . . . .	43,456,784
Total liabilities . . . . .	<u>351,912,382</u>
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	85,629,993
Payment in lieu of taxes levied for the next fiscal year . . . . .	2,540,801
Pension. . . . .	7,145,588
OPEB. . . . .	4,958,222
Total deferred inflows of resources . . . . .	<u>100,274,604</u>
 <b>Net position:</b>	
Net investment in capital assets . . . . .	87,764,935
Restricted for:	
Capital projects . . . . .	9,633,426
Debt service. . . . .	5,898,324
Locally funded programs . . . . .	36,794
State funded programs. . . . .	70,174
Federally funded programs . . . . .	29,061
Student activities . . . . .	757,897
Other purposes . . . . .	3,210,547
Unrestricted (deficit) . . . . .	(53,639,728)
Total net position. . . . .	<u>\$ 53,761,430</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 40,163,402	\$ 3,950,764	\$ 77,240	\$ (36,135,398)
Special . . . . .	17,805,654	385,230	9,880,736	(7,539,688)
Vocational . . . . .	474,237	-	470,150	(4,087)
Other . . . . .	491,746	-	98,711	(393,035)
Support services:				
Pupil . . . . .	6,354,718	136,547	604,999	(5,613,172)
Instructional staff . . . . .	3,008,329	-	1,018,514	(1,989,815)
Board of education . . . . .	1,101,088	-	-	(1,101,088)
Administration . . . . .	6,187,446	-	273,673	(5,913,773)
Fiscal . . . . .	2,225,049	-	30,054	(2,194,995)
Business . . . . .	281,468	-	-	(281,468)
Operations and maintenance . . . . .	9,425,832	860,671	639	(8,564,522)
Pupil transportation . . . . .	5,865,512	-	499,550	(5,365,962)
Central . . . . .	1,861,420	-	37,800	(1,823,620)
Operation of non-instructional services:				
Other non-instructional services . . . . .	739,334	-	1,062,598	323,264
Food service operations . . . . .	3,900,171	2,425,914	3,670,286	2,196,029
Extracurricular activities . . . . .	2,067,512	1,336,478	64,831	(666,203)
Interest and fiscal charges . . . . .	3,647,362	-	-	(3,647,362)
<b>Total governmental activities . . . . .</b>	<b>105,600,280</b>	<b>9,095,604</b>	<b>17,789,781</b>	<b>(78,714,895)</b>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				111,510,991
Debt service . . . . .				7,645,939
Capital outlay . . . . .				8,023,667
Payments in lieu of taxes . . . . .				3,918,615
Grants and entitlements not restricted to specific programs . . . . .				54,044,147
Investment earnings . . . . .				959,858
Miscellaneous . . . . .				51,086
<b>Total general revenues . . . . .</b>				<b>186,154,303</b>
<b>Change in net position . . . . .</b>				<b>107,439,408</b>
<b>Net position (deficit) at beginning of year (restated) . . . . .</b>				<b>(53,677,978)</b>
<b>Net position at end of year . . . . .</b>				<b>\$ 53,761,430</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 112,927,213	\$ 6,054,860	\$ 6,667,484	\$ 4,653,874	\$ 130,303,431
Receivables:					
Property taxes. . . . .	119,414,867	8,199,448	8,574,046	-	136,188,361
Payment in lieu of taxes . . . . .	2,540,801	-	-	-	2,540,801
Accounts . . . . .	102,155	-	-	-	102,155
Accrued interest . . . . .	163,635	-	-	-	163,635
Interfund loans . . . . .	137,998	-	-	-	137,998
Intergovernmental. . . . .	737,899	-	-	766,984	1,504,883
Prepayments. . . . .	1,148,446	-	196,979	-	1,345,425
Materials and supplies inventory. . . . .	-	-	-	9,823	9,823
Inventory held for resale. . . . .	-	-	-	28,222	28,222
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	-	31,171	-	-	31,171
Total assets . . . . .	<u>237,173,014</u>	<u>14,285,479</u>	<u>15,438,509</u>	<u>5,458,903</u>	<u>272,355,905</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 1,152,314	\$ -	\$ 422,452	\$ 172,408	\$ 1,747,174
Accrued wages and benefits payable . . . . .	13,744,113	-	-	723,955	14,468,068
Compensated absences payable . . . . .	145,632	-	-	-	145,632
Intergovernmental payable . . . . .	379,502	-	-	9,352	388,854
Pension and postemployment obligation payable . . . . .	2,145,949	-	-	142,563	2,288,512
Interfund loans payable. . . . .	-	-	-	137,998	137,998
Unearned revenue. . . . .	42,508	-	-	-	42,508
Matured bonds payable. . . . .	-	31,171	-	-	31,171
Total liabilities. . . . .	<u>17,610,018</u>	<u>31,171</u>	<u>422,452</u>	<u>1,186,276</u>	<u>19,249,917</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	75,107,169	5,140,193	5,382,631	-	85,629,993
Payment in lieu of taxes levied for the next fiscal year. . . . .	2,540,801	-	-	-	2,540,801
Delinquent property tax revenue not available. . . . .	2,530,819	173,463	181,454	-	2,885,736
Intergovernmental revenue not available. . . . .	368,208	-	-	-	368,208
Accrued interest not available. . . . .	76,573	-	-	-	76,573
Total deferred inflows of resources . . . . .	<u>80,623,570</u>	<u>5,313,656</u>	<u>5,564,085</u>	<u>-</u>	<u>91,501,311</u>
Total liabilities and deferred inflows of resources . . . . .	<u>98,233,588</u>	<u>5,344,827</u>	<u>5,986,537</u>	<u>1,186,276</u>	<u>110,751,228</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory. . . . .	-	-	-	38,045	38,045
Prepays. . . . .	1,148,446	-	196,979	-	1,345,425
Restricted:					
Debt service . . . . .	-	8,940,652	-	-	8,940,652
Capital improvements . . . . .	-	-	9,254,993	-	9,254,993
Food service operations . . . . .	-	-	-	3,358,111	3,358,111
Non-public schools . . . . .	-	-	-	180,618	180,618
Special education . . . . .	-	-	-	14,124	14,124
Targeted academic assistance . . . . .	-	-	-	543	543
Other purposes. . . . .	-	-	-	51,378	51,378
Extracurricular. . . . .	-	-	-	757,897	757,897
Assigned:					
Student instruction . . . . .	7,813	-	-	-	7,813
Student and staff support. . . . .	321,042	-	-	-	321,042
Unassigned (deficit) . . . . .	137,462,125	-	-	(128,089)	137,334,036
Total fund balances . . . . .	<u>138,939,426</u>	<u>8,940,652</u>	<u>9,451,972</u>	<u>4,272,627</u>	<u>161,604,677</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 237,173,014</u>	<u>\$ 14,285,479</u>	<u>\$ 15,438,509</u>	<u>\$ 5,458,903</u>	<u>\$ 272,355,905</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, 2018

<b>Total governmental fund balances</b>		\$ 161,604,677
<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.		149,717,174
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 2,885,736	
Accrued interest receivable	76,573	
Intergovernmental receivable	368,208	
Total		3,330,517
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.		4,702,025
Unamortized premiums on bonds issued are not recognized in the funds.		(2,500,291)
Unamortized amounts on refundings are not recognized in the funds.		2,181,843
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(190,935)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - Pension	71,475,485	
Deferred Inflows - Pension	(7,145,588)	
Net pension liability	(204,119,758)	
Total		(139,789,861)
The net OPEB liability is not due and payable in the current period; therefore, liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - OPEB	2,539,379	
Deferred Inflows - OPEB	(4,958,222)	
Net OPEB liability	(43,456,784)	
Total		(45,875,627)
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	(56,094,856)	
Tax anticipation notes	(8,225,000)	
Capital lease obligations	(338,791)	
Compensated absences	(14,759,445)	
Total		(79,418,092)
<b>Net position of governmental activities</b>		<b>\$ 53,761,430</b>

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, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 112,656,754	\$ 7,728,581	\$ 8,113,516	\$ -	\$ 128,498,851
Payment in lieu of taxes . . . . .	3,918,615	-	-	-	3,918,615
Tuition . . . . .	3,872,256	-	-	-	3,872,256
Earnings on investments . . . . .	943,778	-	-	50,364	994,142
Charges for services . . . . .	-	-	-	2,425,914	2,425,914
Extracurricular . . . . .	540,578	-	-	920,532	1,461,110
Classroom materials and fees . . . . .	463,738	-	-	-	463,738
Rental income . . . . .	860,671	-	-	-	860,671
Contributions and donations . . . . .	114,044	-	-	144,484	258,528
Other local revenues . . . . .	27,788	-	-	13,290	41,078
Intergovernmental - state . . . . .	59,419,644	988,639	1,021,523	1,138,497	62,568,303
Intergovernmental - federal . . . . .	150,961	-	-	8,797,829	8,948,790
<b>Total revenues . . . . .</b>	<b>182,968,827</b>	<b>8,717,220</b>	<b>9,135,039</b>	<b>13,490,910</b>	<b>214,311,996</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	75,287,874	-	-	72,836	75,360,710
Special . . . . .	26,189,610	-	-	3,317,194	29,506,804
Vocational . . . . .	455,678	-	-	-	455,678
Other . . . . .	637,382	-	-	99,470	736,852
Support services:					
Pupil . . . . .	14,851,360	-	-	522,130	15,373,490
Instructional staff . . . . .	5,457,014	-	-	1,025,844	6,482,858
Board of education . . . . .	1,097,316	-	-	-	1,097,316
Administration . . . . .	11,945,484	-	-	276,604	12,222,088
Fiscal . . . . .	2,647,253	107,776	112,556	28,495	2,896,080
Business . . . . .	1,017,821	-	-	-	1,017,821
Operations and maintenance . . . . .	13,102,967	-	660	-	13,103,627
Pupil transportation . . . . .	8,168,926	-	-	5,009	8,173,935
Central . . . . .	2,325,441	-	-	37,800	2,363,241
Operation of non-instructional services:					
Other operation of non-instructional . . . . .	115,964	-	-	1,017,811	1,133,775
Food service operations . . . . .	-	-	-	5,342,974	5,342,974
Extracurricular activities . . . . .	2,374,845	-	-	881,197	3,256,042
Facilities acquisition and construction . . . . .	5,506	-	4,840,101	104,000	4,949,607
Debt service:					
Principal retirement . . . . .	157,131	8,700,000	-	-	8,857,131
Interest and fiscal charges . . . . .	21,972	2,402,019	-	-	2,423,991
<b>Total expenditures . . . . .</b>	<b>165,859,544</b>	<b>11,209,795</b>	<b>4,953,317</b>	<b>12,731,364</b>	<b>194,754,020</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	17,109,283	(2,492,575)	4,181,722	759,546	19,557,976
<b>Other financing sources (uses):</b>					
Sale of assets . . . . .	39,336	-	-	4,845	44,181
Transfers in . . . . .	-	2,935,375	65,000	-	3,000,375
Transfers (out) . . . . .	(65,000)	-	(2,935,375)	-	(3,000,375)
<b>Total other financing sources (uses) . . . . .</b>	<b>(25,664)</b>	<b>2,935,375</b>	<b>(2,870,375)</b>	<b>4,845</b>	<b>44,181</b>
Net change in fund balances . . . . .	17,083,619	442,800	1,311,347	764,391	19,602,157
<b>Fund balances at beginning of year . . . . .</b>	<b>121,855,807</b>	<b>8,497,852</b>	<b>8,140,625</b>	<b>3,508,236</b>	<b>142,002,520</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 138,939,426</b>	<b>\$ 8,940,652</b>	<b>\$ 9,451,972</b>	<b>\$ 4,272,627</b>	<b>\$ 161,604,677</b>

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, 2018

<b>Net change in fund balances - total governmental funds</b>	\$	19,602,157
<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	\$ 5,398,426	
Current year depreciation	(7,782,686)	
Total		(2,384,260)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to increase net position.		
		(87,716)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(1,318,254)	
Earnings on investments	10,083	
Intergovernmental	29,866	
Total		(1,278,305)
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.		
		8,857,131
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	18,467	
Accreted interest on capital appreciation bonds	(1,351,888)	
Amortization of bond premiums	538,353	
Amortization of deferred charges	(428,303)	
Total		(1,223,371)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		14,304,746
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		63,248,618
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		395,924
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as pension expense in the statement of activities.		
		7,466,262
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.		
		(1,237,845)
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.		
		(223,933)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>107,439,408</b>

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, 2018

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Real estate taxes. . . . .	\$ 105,579,564	\$ 108,504,416	\$ 108,504,413	\$ (3)
Personal property taxes. . . . .	3,526,077	3,537,110	3,537,139	29
State revenue. . . . .	44,255,000	45,569,626	45,569,997	371
Homestead/Rollback. . . . .	14,140,000	14,018,000	14,018,187	187
Tuition, fees, interest and miscellaneous. . . . .	8,577,000	11,423,120	11,412,344	(10,776)
Refund of prior year expenditures. . . . .	915,000	1,390,000	1,392,175	2,175
<b>Total revenues . . . . .</b>	<u>176,992,641</u>	<u>184,442,272</u>	<u>184,434,255</u>	<u>(8,017)</u>
<b>Expenditures:</b>				
Salaries and wages	96,718,807	93,894,381	93,657,720	236,661
Benefits and insurance	33,900,590	32,738,206	32,604,765	133,441
Purchased services	24,001,947	23,959,987	23,484,266	475,721
Supplies and materials	6,591,973	6,493,917	6,223,642	270,275
New and replacement equipment	1,877,768	2,543,233	2,508,910	34,323
Other expenditures	10,548,585	10,510,034	10,248,092	261,942
<b>Total expenditures . . . . .</b>	<u>173,639,670</u>	<u>170,139,758</u>	<u>168,727,395</u>	<u>1,412,363</u>
Excess of revenues over expenditures. . . . .	<u>3,352,971</u>	<u>14,302,514</u>	<u>15,706,860</u>	<u>1,404,346</u>
Net change in fund balance . . . . .	3,352,971	14,302,514	15,706,860	1,404,346
<b>Fund balance at beginning of year . . . . .</b>	91,791,606	91,791,606	91,791,606	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,932,759</u>	<u>2,932,759</u>	<u>2,932,759</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 98,077,336</u>	<u>\$ 109,026,879</u>	<u>\$ 110,431,225</u>	<u>\$ 1,404,346</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2018

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 7,816,628
Total assets. . . . .	<u>7,816,628</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	785
Claims payable . . . . .	1,353,000
Unearned revenue. . . . .	<u>1,760,818</u>
Total liabilities . . . . .	<u>3,114,603</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>4,702,025</u>
Total net position. . . . .	<u>\$ 4,702,025</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, 2018

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 20,595,516
Total operating revenues . . . . .	<u>20,595,516</u>
<b>Operating expenses:</b>	
Purchased services. . . . .	1,858,943
Claims . . . . .	18,966,503
Total operating expenses. . . . .	<u>20,825,446</u>
Operating loss. . . . .	<u>(229,930)</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	5,997
Total nonoperating revenues. . . . .	<u>5,997</u>
Change in net position . . . . .	(223,933)
<b>Net position at beginning of year. . . . .</b>	<u>4,925,958</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 4,702,025</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, 2018

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 20,883,136
Cash payments for contractual services . . . . .	(1,889,180)
Cash payments for claims . . . . .	<u>(18,905,718)</u>
Net cash provided by operating activities . . . . .	<u>88,238</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>5,997</u>
Net cash provided by investing activities . . . . .	<u>5,997</u>
Net increase in cash and cash equivalents. . . . .	94,235
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>7,722,393</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 7,816,628</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss . . . . .	\$ (229,930)
Changes in assets and liabilities:	
Increase in accounts payable. . . . .	33
Increase in unearned revenue. . . . .	287,620
Increase in claims payable . . . . .	<u>30,515</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 88,238</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents . . . . .	\$ 35,453	\$ 427,010
Total assets. . . . .	35,453	\$ 427,010
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 7,457
Due to students. . . . .	-	321,609
Due to primary government . . . . .	-	97,944
Total liabilities . . . . .	-	\$ 427,010
<b>Net position:</b>		
Held in trust for scholarships . . . . .	35,453	
Total net position. . . . .	\$ 35,453	

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, 2018

	<b>Private Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 5
Gifts and contributions. . . . .	19,534
Total additions. . . . .	19,539
 <b>Deductions:</b>	
Scholarships awarded . . . . .	18,251
Change in net position . . . . .	1,288
<b>Net position at beginning of year. . . . .</b>	<b>34,165</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 35,453</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Westerville City School District**

**Westerville, Ohio**



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## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2018*

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#### **(1) DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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 15,321 students.

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).

#### **(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**(a) Basis of Presentation**

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.

*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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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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. 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.

**(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.

**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:

## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2018*

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General Fund - This Fund is the general operating fund of the District and is used to account for and report all financial resources except those required to be accounted for and reported in another fund.

Debt Service Fund - This Fund is used to account for the accumulation of resources for, and the payment of, governmental long-term debt principal, interest, and related costs.

Permanent Improvement Fund - This Fund is used to account for financial resources to be used for the maintenance of capital facilities, technology and curriculum.

Other governmental funds of the District are used to account for specific revenue sources that are restricted or committed to an expenditure for specific 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.

Internal Service 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.

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.

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

Private-purpose Trust Fund - A private-purpose trust fund accounts for resources, including both principal and earnings, which must be expended according to the provisions of the student scholarship agreements and are not available to support the District's own programs.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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Agency Funds - Agency funds are used to account for assets held by the District for staff, student activity programs that are managed by the students, and individuals for medical spending. Agency funds are purely custodial and thus do not involve measurement of results of operations.

(c) ***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.

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, income taxes, 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 the District's net pension liability and net OPEB liability, 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.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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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, 2018, but which were levied to finance fiscal year 2019 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, respectively. These deferred inflow of resources are only reported on the government-wide statement of net position.

**(d) Budgets**

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 2018 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.
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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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 2018.

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 2018.
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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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

**(e) *Cash and Cash Equivalents***

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 Cash Equivalents”.

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, 2018, 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 2018, investments were limited to federal agency securities, STAR Ohio, negotiable CDs, and U.S. Government money market accounts.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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Under existing statutes, all investment earnings accrue to the General Fund except earnings specifically related to the Food Service, Worker's Compensation, Private Purpose Trust and Auxiliary Funds. Interest credited to the General Fund during fiscal year 2018 was \$943,778 which includes \$130,079 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.

**(f) Inventories**

On government-wide and fund financial statements, inventories held for resale are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Materials and supplies inventory is recorded at cost. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food, purchased food and non-food supplies.

**(g) Prepaid Assets**

Payments made to vendors for services that will benefit periods beyond June 30, 2018 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

**(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.

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:

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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<u>Description</u>	<u>Useful Life</u>
Land Improvements	20 years
Buildings & Improvements	10-50 years
Furniture, Fixtures & Equipment	5-15 years
Vehicles	7-10 years

**(i) *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.

**(j) *Bond Premium and Discount/Accounting Gain or Loss***

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refunds resulting in the defeasance of the debt reported in the government-wide financial statements, 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 outflow of resources.

On the governmental fund financial statements, bond premiums are recognized in the current period.

**(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, 2018*

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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, net pension liability, net OPEB liability, 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.

**(l) *Interfund Transactions***

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 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.

On fund financial statements, short-term interfund loans are classified as interfund loan receivables/payables. These amounts are eliminated in the statement of net position.

**(m) *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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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.

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.

**(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.

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

**(o) Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, 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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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**(p) 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. In addition, all cash and investments of the pool are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

**(q) 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.

**(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 2018, the District reported no extraordinary or special items.

**(3) ACCOUNTABILITY AND COMPLIANCE**

**(a) Change in Accounting Principles/Restatement of Net Position**

For fiscal year 2018, the District has implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension", GASB Statement No. 81 "Irrevocable Split-Interest Agreements" GASB Statement No. 85, "Omnibus 2017" and GASB Statement No. 86, "Certain Debt Extinguishments".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the District's postemployment benefit plan disclosures, as presented in Note 15 to the basic financial statements, and added required supplementary information.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

A net position restatement is required in order to implement GASB No. 75. The governmental activities at July 1, 2017 have been restated as follows:

	Governmental Activities
Net position as previously reported	\$ 59,835
Deferred outflows - payments subsequent to measurement date	316,872
Net OPEB liability	(54,054,685)
Restated net position at July 1, 2017	\$ (53,677,978)

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

**(b) Deficit Fund Balance**

Fund balances at June 30, 2018 included the following fund deficits:

<u>Nonmajor funds</u>	<u>Deficits</u>
Alternative schools	\$ 198
Miscellaneous state grants	110,824
Refugee children school impact aid	16,849
Preschool handicapped	89
Improving teacher quality	129

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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**(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;
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;

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed 270 days from the purchase date in an amount not to exceed 40 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. 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, 2018, the carrying amount of all District deposits was \$80,787,109. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2018, \$75,093,455 of the District's bank balance of \$81,343,455 was exposed to custodial risk as discussed below, while \$6,250,000 was covered by the FDIC.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
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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 market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, 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, 2018, 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	\$ 10,174,462	\$ 1,993,940	\$ -	\$ 1,971,540	\$ -	\$ 6,208,982
FFCB	12,802,980	4,984,930	989,630	986,660	983,460	4,858,300
FHLMC	5,938,630	1,998,720	1,985,660	-	983,140	971,110
FNMA	18,786,380	1,994,410	3,959,040	7,361,525	4,507,755	963,650
Negotiable CDs	7,088,759	244,657	-	489,598	2,933,249	3,421,255
US Government						
Money Market	1,246,667	1,246,667	-	-	-	-
Amortized cost:						
STAR Ohio	1,788,706	1,788,706	-	-	-	-
	<u>\$ 57,826,584</u>	<u>\$ 14,252,030</u>	<u>\$6,934,330</u>	<u>\$ 10,809,323</u>	<u>\$ 9,407,604</u>	<u>\$ 16,423,297</u>

The weighted average of maturity of investments is 1.46 years.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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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) 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.

*Credit Risk:* The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. 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 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 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, 2018:

<u>Measurement/ Investment Type</u>	<u>Measurement Value</u>	<u>% to Total</u>
Fair value:		
FHLB	\$ 10,174,462	17.59
FFCB	12,802,980	22.14
FHLMC	5,938,630	10.27
FNMA	18,786,380	32.49
Negotiable CDs	7,088,759	12.26
US Government Money Market	1,246,667	2.16
Amortized cost:		
STAR Ohio	<u>1,788,706</u>	<u>3.09</u>
Total	<u>\$ 57,826,584</u>	<u>100.00</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

**(c) Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and cash equivalents as reported on the statement of net position as of June 30, 2018:

<u>Cash and Investments per Note</u>	
Carrying Amount of Deposits	\$ 80,787,109
Investments	<u>57,826,584</u>
Total	<u><u>\$138,613,693</u></u>

<u>Cash and Cash Equivalents per Financial Statements</u>	
Governmental Activities	\$ 138,151,230
Private-Purpose Trust Fund	35,453
Agency Funds	<u>427,010</u>
Total	<u><u>\$138,613,693</u></u>

**(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 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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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, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was \$41,776,879 in the general fund, \$2,885,792 in the bond retirement fund and \$3,009,961 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2017 was \$41,735,491 in the general fund, \$2,921,328 in the bond retirement fund and \$3,079,767 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, 2018 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.

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 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,294,410,060	97.94	\$ 2,565,358,330	97.77
Public utility personal	<u>48,206,100</u>	<u>2.06</u>	<u>58,463,770</u>	<u>2.23</u>
Total	<u>\$ 2,342,616,160</u>	<u>100.00</u>	<u>\$ 2,623,822,100</u>	<u>100.00</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**(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 118 parcels that have taxes abated through CRA agreements that affected the District. Under these agreements, the District property taxes were reduced by \$2,632,905.

**(7) RECEIVABLES**

Receivables and due from other governments at June 30, 2018 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.

A summary of the principal items is as follows:

**Governmental Activities:**

Taxes - Current & Delinquent	\$ 136,188,361
Payment in Lieu of Taxes	2,540,801
Accounts	102,155
Accrued Interest	163,635
Intergovernmental	<u>1,504,883</u>
Total	<u>\$ 140,499,835</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
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**(8) INTERFUND TRANSACTIONS**

(a) Interfund balances at June 30, 2018 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	\$137,998

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, 2018 are reported on the statement of net position.

(b) Interfund transfers for the fiscal year ended June 30, 2018, 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>2,935,375</u>
Total		<u>\$ 3,000,375</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 \$2,935,375 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, 2018**

**(9) CAPITAL ASSETS**

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

	Balance <u>June 30, 2017</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2018</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,062,796	\$ -	\$ -	\$ 6,062,796
Construction in progress	<u>-</u>	<u>109,130</u>	<u>-</u>	<u>109,130</u>
Total capital assets, not being depreciated	<u>6,062,796</u>	<u>109,130</u>	<u>-</u>	<u>6,171,926</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	9,474,821	147,842	-	9,622,663
Buildings and improvements	226,674,156	1,156,465	-	227,830,621
Furniture, fixtures and equipment	15,060,737	3,129,617	(348,164)	17,842,190
Vehicles	<u>10,503,452</u>	<u>855,372</u>	<u>(633,508)</u>	<u>10,725,316</u>
Total capital assets, being depreciated	<u>261,713,166</u>	<u>5,289,296</u>	<u>(981,672)</u>	<u>266,020,790</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(6,262,661)	(413,927)	-	(6,676,588)
Buildings and improvements	(93,410,655)	(5,296,515)	-	(98,707,170)
Furniture and equipment	(9,453,821)	(1,143,895)	260,448	(10,337,268)
Vehicles	<u>(6,459,675)</u>	<u>(928,349)</u>	<u>633,508</u>	<u>(6,754,516)</u>
Total accumulated depreciation	<u>(115,586,812)</u>	<u>(7,782,686)</u>	<u>893,956</u>	<u>(122,475,542)</u>
Governmental activities capital assets, net	<u>\$ 152,189,150</u>	<u>\$ (2,384,260)</u>	<u>\$ (87,716)</u>	<u>\$ 149,717,174</u>

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 3,643,508
Special	1,114,339
Vocational	18,559
Other	12,616

Support services:

Pupil	3,039
Staff	17,272
General Administration	543,251
Board of Education	3,772
Business Services	28,001
Operations & Maintenance	699,499
Student Transportation	942,793
Central Services	283,115
Food Service Operations	82,079
Community Services	39,972
Extracurricular Activities	<u>350,871</u>

Total depreciation expense \$ 7,782,686

**(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. 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, 2018</u>
Advance Bond Refunding (1)	12/14/06	4.00-5.00%	12/01/27	\$48,365,000	\$22,365,000
Tax Anticipation Notes (2)	03/23/10	2.82%	12/01/20	24,415,000	8,225,000
Advance Bond Refunding (3)	08/15/12	0.45-3.04%	12/01/22	27,320,000	10,789,856
Advance Bond Refunding (4)	09/01/16	2.67%	12/01/23	23,040,000	22,940,000
					<u><u>\$64,319,856</u></u>

(1) Refunded portions of bonds previously issued on 3/15/01.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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- (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.

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% (maturing December 2018). The accreted value at maturity for the capital appreciation bonds is \$4,165,000. Total accreted interest of \$3,024,856 on the capital appreciation bonds has been included on the statement of net position at June 30, 2018. 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 \$7,765,000 at June 30, 2018.

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 \$23,040,000 at June 30, 2018.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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.

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$4,850,000	\$6,255,255
2020	8,465,000	2,001,132
2021	8,705,000	1,724,583
2022	5,990,000	1,495,488
2023	6,140,000	1,330,209
2024 - 2028	27,145,000	3,488,819
Total	<u>\$61,295,000</u>	<u>\$16,295,486</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 \$236,143,989. The total District debt (including the Notes) subject to this limitation is \$61,295,000. The total District unvoted debt that could be issued subject to the 1/10 of 1% limitation is \$2,623,822. The District has no debt subject to such limitation, leaving \$2,623,822, available for unvoted debt. Including the balance in the Debt Service Fund at June 30, 2018 of \$8,940,652, the effects of these debt limitations at June 30, 2018 are a voted debt margin of \$183,789,641 and an unvoted debt margin of \$2,623,822.

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, 2018, 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 (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.

See Note 15 for details on the net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

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, 2018**

The long-term obligations at June 30, 2017 have been restated as described in Note 3.A. The following changes occurred in long-term liabilities during the year:

<i>Governmental Activities</i>	Restated			Balance at June 30, 2018	Amounts Due In One Year
	Balance at June 30, 2017	Increase	Decrease		
Net Pension Liability	\$278,283,450	\$ -	\$ (74,163,692)	\$204,119,758	\$ -
Net OPEB Liability	54,054,685	-	(10,597,901)	43,456,784	-
General Obligation Bonds	60,942,968	1,351,888	(6,200,000)	56,094,856	5,369,856
Tax Anticipation Notes	10,725,000	-	(2,500,000)	8,225,000	2,625,000
Capital Lease Obligations	495,922	-	(157,131)	338,791	165,170
Compensated Absences	14,141,680	1,839,723	(1,076,326)	14,905,077	601,878
Total Governmental Activities	<u>\$418,643,705</u>	<u>\$3,191,611</u>	<u>\$(94,695,050)</u>	<u>327,140,266</u>	<u>\$8,761,904</u>
Add: Unamortized Premiums				<u>2,500,291</u>	
Total on Statement of Net Position				<u>\$329,640,557</u>	

**(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 function 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, 2018 was \$437,762, leaving a current book value of \$312,678. A corresponding liability was recorded in the statement of net position. Principal payments in the 2018 fiscal year totaled \$157,131. 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, 2018:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 179,103
2020	<u>179,103</u>
Total minimum lease payment	358,206
Less: amount representing interest	<u>(19,415)</u>
Present value of minimum lease payments	<u>\$ 338,791</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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**(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, 2017	\$ -
Current Year Set-Aside Requirement	2,579,301
Contributions in Excess of the Current Fiscal Year Set-Aside Requirement	-
Current Year Qualifying Expenditures	(658,952)
Excess Qualified Expenditures from Prior Years	-
Current Year Offsets	(9,204,845)
Waiver granted by ODE	-
Prior Year Offset from Bond Proceeds	-
Total	<u>\$ (7,284,496)</u>
Balance Carried Forward to Fiscal Year 2019	<u>\$ -</u>
Set-Aside Balance June 30, 2018	<u><u>\$ -</u></u>

**(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*  
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- (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	\$ 15,706,860
Net adjustment for revenue accruals	(1,826,755)
Net adjustment for expenditure accruals	266,497
Net adjustment for other financing sources (uses)	(25,664)
Funds budgeted elsewhere	11,587
Adjustment for encumbrances	2,951,094
GAAP basis	<u>\$ 17,083,619</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.

**(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.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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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.

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 benefits 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$2,485,361 for fiscal year 2018.

***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](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$11,819,385 for fiscal year 2018. Of this amount, \$1,984,640 is reported as pension and postemployment benefits payable.

***Net Pension Liability***

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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	0.55818750%	0.70931549%	
Proportion of the net pension liability current measurement date	<u>0.56954510%</u>	<u>0.71601415%</u>	
Change in proportionate share	<u>0.01135760%</u>	<u>0.00669866%</u>	
Proportionate share of the net pension liability	\$ 34,029,062	\$ 170,090,696	\$ 204,119,758
Pension expense	\$ (848,451)	\$ (62,400,167)	\$ (63,248,618)

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,464,494	\$ 6,568,101	\$ 8,032,595
Net difference between projected and actual earnings on pension plan investments			
Changes of assumptions	1,759,669	37,200,704	38,960,373
Difference between District contributions and proportionate share of contributions/ change in proportionate share	840,204	9,337,567	10,177,771
District contributions subsequent to the measurement date	<u>2,485,361</u>	<u>11,819,385</u>	<u>14,304,746</u>
Total deferred outflows of resources	<u>\$ 6,549,728</u>	<u>\$ 64,925,757</u>	<u>\$ 71,475,485</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 1,370,865	\$ 1,370,865
Net difference between projected and actual earnings on pension plan investments	<u>161,531</u>	<u>5,613,192</u>	<u>5,774,723</u>
Total deferred inflows of resources	<u>\$ 161,531</u>	<u>\$ 6,984,057</u>	<u>\$ 7,145,588</u>

\$14,304,746 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$ 1,741,134	\$ 10,930,443	\$ 12,671,577
2020	2,320,903	18,556,315	20,877,218
2021	634,085	13,252,179	13,886,264
2022	<u>(793,286)</u>	<u>3,373,378</u>	<u>2,580,092</u>
Total	<u>\$ 3,902,836</u>	<u>\$ 46,112,315</u>	<u>\$ 50,015,151</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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***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, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

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

For 2017, 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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:

<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 total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 47,223,494	\$ 34,029,062	\$ 22,976,033

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**Actuarial Assumptions - STRS Ohio**

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

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 percent of rates for males and 100 percent 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.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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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.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

**Sensitivity of the 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 percent, 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 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
District's proportionate share of the net pension liability	\$ 243,819,224	\$ 170,090,696	\$ 107,985,462



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**NOTE 15 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

The net OPEB liability reported on the statement of net position represents a liability 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 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 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.

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. Resulting adjustments to the net OPEB liability 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* 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 benefits payable* on both the accrual and modified accrual bases of accounting.

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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***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](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). 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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$303,874.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$395,924 for fiscal year 2018. Of this amount, \$303,874 is reported as pension and postemployment benefits payable.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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***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](http://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 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

***Net OPEB Liability***

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability 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:

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.56555143%	0.70931549%	
Proportion of the net OPEB liability current measurement date	<u>0.57831870%</u>	<u>0.71601415%</u>	
Change in proportionate share	<u>0.01276727%</u>	<u>0.00669866%</u>	
Proportionate share of the net OPEB liability	\$ 15,520,554	\$ 27,936,230	\$ 43,456,784
OPEB expense	\$ 1,007,189	\$ (8,473,451)	\$ (7,466,262)

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

At June 30, 2018, 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>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 1,612,652	\$ 1,612,652
Difference between District contributions and proportionate share of contributions/change in proportionate share	223,735	307,068	530,803
District contributions subsequent to the measurement date	<u>395,924</u>	<u>-</u>	<u>395,924</u>
Total deferred outflows of resources	<u>\$ 619,659</u>	<u>\$ 1,919,720</u>	<u>\$ 2,539,379</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 40,986	\$ 1,194,059	\$ 1,235,045
Changes of assumptions	<u>1,472,820</u>	<u>2,250,357</u>	<u>3,723,177</u>
Total deferred inflows of resources	<u>\$ 1,513,806</u>	<u>\$ 3,444,416</u>	<u>\$ 4,958,222</u>

\$395,924 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 in the year ending June 30, 2019. 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:			
2019	\$ (462,814)	\$ (353,621)	\$ (816,435)
2020	(462,814)	(353,621)	(816,435)
2021	(354,198)	(353,621)	(707,819)
2022	(10,245)	(353,621)	(363,866)
2023	-	(55,106)	(55,106)
Thereafter	<u>-</u>	<u>(55,106)</u>	<u>(55,106)</u>
Total	<u>\$ (1,290,071)</u>	<u>\$ (1,524,696)</u>	<u>\$ (2,814,767)</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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**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, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 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 Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

***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 (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	\$ 18,743,046	\$ 15,520,554	\$ 12,967,519

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	\$ 12,593,767	\$ 15,520,554	\$ 19,394,208

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

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

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

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

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 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	<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.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**

**Discount Rate** - The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$ 37,503,940	\$ 27,936,230	\$ 20,374,612
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 19,408,895	\$ 27,936,230	\$ 39,159,201

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**(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.

**(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 2018 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.

**(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 Dave Varda, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2018*

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**(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.

**(19) RISK MANAGEMENT**

For fiscal year 2018, 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.

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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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 2018, a total expense of \$1,858,943 was incurred in administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. The liability for unpaid claims of \$1,353,000 reported at June 30, 2018 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 2018 was:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2018	\$ 1,293,000	\$ 18,965,718	\$ (18,905,718)	\$ 1,353,000
2017	1,093,000	19,173,991	(18,973,991)	1,293,000

**(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	\$ 1,703,004
Triad Facilities Solutions	Renovations	454,560
Ricart Properties	Vans	611,578
The Motz Group	Turf Replacement	447,694
Regal Plumbing	Renovations	<u>373,666</u>
Total		<u>\$ 3,590,502</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2018*

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**(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 Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 2,005,398
Permanent Improvement Fund	3,419,621
Nonmajor Governmental Funds	<u>436,217</u>
Total	<u>\$ 5,861,236</u>

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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.56954510%	0.55818750%	0.54732270%	0.53978500%	0.53978500%
District's proportionate share of the net pension liability	\$ 34,029,062	\$ 40,854,175	\$ 31,230,764	\$ 27,318,212	\$ 32,099,282
District's covered payroll	\$ 18,382,814	\$ 17,335,229	\$ 16,476,768	\$ 15,685,072	\$ 15,546,734
District's proportionate share of the net pension liability as a percentage of its covered payroll	185.11%	235.67%	189.54%	174.17%	206.47%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

**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 FIVE FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.71601415%	0.70931549%	0.67587545%	0.66078200%	0.66078200%
District's proportionate share of the net pension liability	\$ 170,090,696	\$ 237,429,275	\$ 186,792,205	\$ 160,725,065	\$ 191,454,646
District's covered payroll	\$ 79,654,393	\$ 77,713,993	\$ 71,475,893	\$ 67,515,746	\$ 69,241,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	213.54%	305.52%	261.34%	238.06%	276.50%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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



**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,485,361	\$ 2,573,594	\$ 2,426,932	\$ 2,171,638
Contributions in relation to the contractually required contribution	<u>(2,485,361)</u>	<u>(2,573,594)</u>	<u>(2,426,932)</u>	<u>(2,171,638)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229	\$ 16,476,768
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,173,951	\$ 2,151,668	\$ 2,323,325	\$ 2,255,906	\$ 2,348,656	\$ 1,598,077
<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>(1,598,077)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,685,072	\$ 15,546,734	\$ 17,273,792	\$ 17,946,746	\$ 17,346,056	\$ 16,240,620
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 11,819,385	\$ 11,151,615	\$ 10,879,959	\$ 10,006,625
Contributions in relation to the contractually required contribution	<u>(11,819,385)</u>	<u>(11,151,615)</u>	<u>(10,879,959)</u>	<u>(10,006,625)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993	\$ 71,475,893
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 8,777,047	\$ 9,001,330	\$ 9,878,070	\$ 10,061,429	\$ 9,476,887	\$ 9,318,639
<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>(9,318,639)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 67,515,746	\$ 69,241,000	\$ 75,985,154	\$ 77,395,608	\$ 72,899,131	\$ 71,681,838
13.00%	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 TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.57831870%	0.56555143%
District's proportionate share of the net OPEB liability	\$ 15,520,554	\$ 16,120,308
District's covered payroll	\$ 18,382,814	\$ 17,335,229
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	84.43%	92.99%
Plan fiduciary net position as a percentage of the total OPEB liability	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  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TWO FISCAL YEARS

	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.71601415%	0.70931549%
District's proportionate share of the net OPEB liability	\$ 27,936,230	\$ 37,934,377
District's covered payroll	\$ 79,654,393	\$ 77,713,993
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.07%	48.81%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 395,924	\$ 316,872	\$ 285,698	\$ 409,231
Contributions in relation to the contractually required contribution	<u>(395,924)</u>	<u>(316,872)</u>	<u>(285,698)</u>	<u>(409,231)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,410,081	\$ 18,382,814	\$ 17,335,229	\$ 16,476,768
Contributions as a percentage of covered payroll	2.15%	1.72%	1.65%	2.48%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ 305,169	\$ 297,881	\$ 320,613	\$ 500,788	\$ 362,075	\$ 996,488
<u>(305,169)</u>	<u>(297,881)</u>	<u>(320,613)</u>	<u>(500,788)</u>	<u>(362,075)</u>	<u>(996,488)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,685,072	\$ 15,546,734	\$ 17,273,792	\$ 17,946,746	\$ 17,346,056	\$ 16,240,620
1.95%	1.92%	1.86%	2.79%	2.09%	6.14%



**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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</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	\$ 84,424,179	\$ 79,654,393	\$ 77,713,993	\$ 71,475,893
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 675,157	\$ 692,410	\$ 759,852	\$ 773,956	\$ 728,991	\$ 716,814
<u>(675,157)</u>	<u>(692,410)</u>	<u>(759,852)</u>	<u>(773,956)</u>	<u>(728,991)</u>	<u>(716,814)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 67,515,746	\$ 69,241,000	\$ 75,985,154	\$ 77,395,608	\$ 72,899,131	\$ 71,681,838
1.00%	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, 2018**

**PENSION**

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*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 change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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 year 2018.

*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.

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.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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 2017-2018.

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.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts 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 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.

**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 Fund**

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 Fund**

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.



**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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Debt Service</b>				
Total revenue and other sources . . . . .	\$ 11,714,375	\$ 11,688,975	\$ 11,688,131	\$ (844)
Total expenditures and other uses . . . . .	11,226,019	11,226,019	11,209,795	16,224
Net change in fund balance . . . . .	488,356	462,956	478,336	15,380
Fund balance at beginning of year . . . . .	5,576,524	5,576,524	5,576,524	-
Fund balance at end of year . . . . .	<u>\$ 6,064,880</u>	<u>\$ 6,039,480</u>	<u>\$ 6,054,860</u>	<u>\$ 15,380</u>
<b>Permanent Improvement</b>				
Total revenue and other sources . . . . .	\$ 9,219,000	\$ 9,272,065	\$ 9,269,185	\$ (2,880)
Total expenditures and other uses . . . . .	11,534,991	11,828,966	11,415,056	413,910
Net change in fund balance . . . . .	(2,315,991)	(2,556,901)	(2,145,871)	411,030
Fund balance at beginning of year . . . . .	3,336,291	3,336,291	3,336,291	-
Prior year encumbrances appropriated . . . . .	1,634,991	1,634,991	1,634,991	-
Fund balance at end of year . . . . .	<u>\$ 2,655,291</u>	<u>\$ 2,414,381</u>	<u>\$ 2,825,411</u>	<u>\$ 411,030</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.

**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.

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>Special Revenue</u>			
	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxiliary Services</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 3,574,268	\$ 40,199	\$ 784,333	\$ 254,183
Receivables:				
Intergovernmental. . . . .	6,613	-	131	1,335
Materials and supplies inventory. . . . .	9,823	-	-	-
Inventory held for resale. . . . .	28,222	-	-	-
Total assets . . . . .	<u>\$ 3,618,926</u>	<u>\$ 40,199</u>	<u>\$ 784,464</u>	<u>\$ 255,518</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 38,387	\$ 3,405	\$ 25,773	\$ 10,615
Accrued wages and benefits payable . . . . .	124,943	-	-	55,431
Intergovernmental payable . . . . .	1,620	-	-	717
Pension and postemployment obligation payable . . . . .	57,820	-	794	8,137
Interfund loans payable. . . . .	-	-	-	-
Total liabilities. . . . .	<u>222,770</u>	<u>3,405</u>	<u>26,567</u>	<u>74,900</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	38,045	-	-	-
Restricted:				
Food service operations . . . . .	3,358,111	-	-	-
Non-public schools . . . . .	-	-	-	180,618
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes. . . . .	-	36,794	-	-
Extracurricular. . . . .	-	-	757,897	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>3,396,156</u>	<u>36,794</u>	<u>757,897</u>	<u>180,618</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,618,926</u>	<u>\$ 40,199</u>	<u>\$ 784,464</u>	<u>\$ 255,518</u>

**Special Revenue**

<b>Alternative Schools</b>	<b>Straight A</b>	<b>Other State</b>	<b>IDEA, Part B</b>	<b>Title III</b>	<b>Transition Program for Refugee Children</b>	<b>Title I</b>	<b>Preschool Handicapped</b>
\$ -	\$ -	\$ -	\$ 371	\$ -	\$ -	\$ 503	\$ 17
-	12,098	15,884	343,198	53,566	1,904	282,758	4,790
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 12,098</u>	<u>\$ 15,884</u>	<u>\$ 343,569</u>	<u>\$ 53,566</u>	<u>\$ 1,904</u>	<u>\$ 283,261</u>	<u>\$ 4,807</u>
\$ -	\$ 716	\$ 3,816	\$ 63,947	\$ 6,629	\$ -	\$ 4,672	\$ -
-	-	12,375	227,901	31,595	4,238	239,402	4,251
-	-	163	2,866	427	55	3,119	50
198	-	992	34,731	-	-	35,525	595
-	11,192	109,362	-	521	14,460	-	-
<u>198</u>	<u>11,908</u>	<u>126,708</u>	<u>329,445</u>	<u>39,172</u>	<u>18,753</u>	<u>282,718</u>	<u>4,896</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	14,124	-	-	-	-
-	-	-	-	-	-	543	-
-	190	-	-	14,394	-	-	-
-	-	-	-	-	-	-	-
(198)	-	(110,824)	-	-	(16,849)	-	(89)
<u>(198)</u>	<u>190</u>	<u>(110,824)</u>	<u>14,124</u>	<u>14,394</u>	<u>(16,849)</u>	<u>543</u>	<u>(89)</u>
<u>\$ -</u>	<u>\$ 12,098</u>	<u>\$ 15,884</u>	<u>\$ 343,569</u>	<u>\$ 53,566</u>	<u>\$ 1,904</u>	<u>\$ 283,261</u>	<u>\$ 4,807</u>

-- continued

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2018

	<u>Special Revenue</u>		<b>Total Other Governmental Funds</b>
	<b>Title 11-A Improving Teacher Quality</b>	<b>Miscellaneous Federal Grants</b>	
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ -	\$ 4,653,874
<b>Receivables:</b>			
Intergovernmental. . . . .	42,564	2,143	766,984
Materials and supplies inventory. . . . .	-	-	9,823
Inventory held for resale. . . . .	-	-	28,222
<b>Total assets . . . . .</b>	<b>\$ 42,564</b>	<b>\$ 2,143</b>	<b>\$ 5,458,903</b>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 14,448	\$ -	\$ 172,408
Accrued wages and benefits payable . . . . .	23,819	-	723,955
Intergovernmental payable . . . . .	335	-	9,352
Pension and postemployment obligation payable . . . . .	3,771	-	142,563
Interfund loans payable. . . . .	320	2,143	137,998
<b>Total liabilities. . . . .</b>	<b>42,693</b>	<b>2,143</b>	<b>1,186,276</b>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Materials and supplies inventory. . . . .	-	-	38,045
<b>Restricted:</b>			
Food service operations . . . . .	-	-	3,358,111
Non-public schools . . . . .	-	-	180,618
Special education . . . . .	-	-	14,124
Targeted academic assistance . . . . .	-	-	543
Other purposes. . . . .	-	-	51,378
Extracurricular. . . . .	-	-	757,897
Unassigned (deficit) . . . . .	(129)	-	(128,089)
<b>Total fund balances (deficit) . . . . .</b>	<b>(129)</b>	<b>-</b>	<b>4,272,627</b>
<b>Total liabilities, deferred inflows and fund balances .</b>	<b>\$ 42,564</b>	<b>\$ 2,143</b>	<b>\$ 5,458,903</b>

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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, 2018

**Special Revenue**

	<b>Food Service</b>	<b>Other Local</b>	<b>District Managed</b>	<b>Auxiliary Services</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 46,502	\$ -	\$ -	\$ 3,862
Charges for services . . . . .	2,425,914	-	-	-
Extracurricular . . . . .	-	-	920,532	-
Contributions and donations . . . . .	3,573	76,080	64,831	-
Other local revenues . . . . .	1,375	-	11,915	-
Intergovernmental - state . . . . .	56,840	-	-	944,687
Intergovernmental - federal . . . . .	3,561,996	-	-	-
<b>Total revenues . . . . .</b>	<b>6,096,200</b>	<b>76,080</b>	<b>997,278</b>	<b>948,549</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	40,889	-	-
Special . . . . .	-	15,320	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	500	-	-
Instructional staff . . . . .	-	10,255	-	-
Administration . . . . .	-	11	-	-
Fiscal . . . . .	-	-	-	28,495
Pupil transportation . . . . .	-	569	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	250	-	870,861
Food service operations . . . . .	5,342,974	-	-	-
Extracurricular activities . . . . .	-	-	881,197	-
Facilities construction and maintenance . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>5,342,974</b>	<b>67,794</b>	<b>881,197</b>	<b>899,356</b>
Excess of revenues over (under) expenditures . . . . .	753,226	8,286	116,081	49,193
<b>Other financing sources:</b>				
Sale of assets . . . . .	4,845	-	-	-
<b>Total other financing sources . . . . .</b>	<b>4,845</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>758,071</b>	<b>8,286</b>	<b>116,081</b>	<b>49,193</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>2,638,085</b>	<b>28,508</b>	<b>641,816</b>	<b>131,425</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 3,396,156</b>	<b>\$ 36,794</b>	<b>\$ 757,897</b>	<b>\$ 180,618</b>

**Special Revenue**

<u>Data Commu- nications</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Other State</u>	<u>IDEA, Part B</u>	<u>Title III</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
37,800	-	15,151	84,019	-	-
-	-	-	-	2,592,362	281,453
<u>37,800</u>	<u>-</u>	<u>15,151</u>	<u>84,019</u>	<u>2,592,362</u>	<u>281,453</u>
-	774	14,150	-	-	-
-	-	-	7,689	1,673,480	270,386
-	-	-	-	99,470	-
-	-	-	58,413	463,217	-
-	-	811	-	61,524	11,642
-	828	-	-	275,765	-
-	-	-	-	-	-
-	-	-	-	-	-
37,800	-	-	-	-	-
-	-	-	24,769	38,834	2,590
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	104,000	-	-
<u>37,800</u>	<u>1,602</u>	<u>14,961</u>	<u>194,871</u>	<u>2,612,290</u>	<u>284,618</u>
-	(1,602)	190	(110,852)	(19,928)	(3,165)
-	-	-	-	-	-
-	-	-	-	-	-
-	(1,602)	190	(110,852)	(19,928)	(3,165)
-	1,404	-	28	34,052	17,559
<u>\$ -</u>	<u>\$ (198)</u>	<u>\$ 190</u>	<u>\$ (110,824)</u>	<u>\$ 14,124</u>	<u>\$ 14,394</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, 2018

**Special Revenue**

	<b>Transition Program for Refugee Children</b>	<b>Title I</b>	<b>Preschool Handicapped</b>	<b>Title 11-A Improving Teacher Quality</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	13,493	1,975,757	34,554	309,163
<b>Total revenues . . . . .</b>	<b>13,493</b>	<b>1,975,757</b>	<b>34,554</b>	<b>309,163</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	-
Special . . . . .	26,306	1,288,429	35,584	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	646,564	-	287,918
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	55,222	-	24,827
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Intergovernmental pass through . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>26,306</b>	<b>1,990,215</b>	<b>35,584</b>	<b>312,745</b>
Excess of revenues over (under) expenditures . . . . .	(12,813)	(14,458)	(1,030)	(3,582)
<b>Other financing sources:</b>				
Sale of assets . . . . .	-	-	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>(12,813)</b>	<b>(14,458)</b>	<b>(1,030)</b>	<b>(3,582)</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>(4,036)</b>	<b>15,001</b>	<b>941</b>	<b>3,453</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (16,849)</b>	<b>\$ 543</b>	<b>\$ (89)</b>	<b>\$ (129)</b>

<u>Special Revenue</u>	
<u>Miscellaneous Federal Grants</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 50,364
-	2,425,914
-	920,532
-	144,484
-	13,290
-	1,138,497
29,051	8,797,829
<u>29,051</u>	<u>13,490,910</u>
17,023	72,836
-	3,317,194
-	99,470
-	522,130
7,130	1,025,844
-	276,604
-	28,495
4,440	5,009
-	37,800
458	1,017,811
-	5,342,974
-	881,197
-	104,000
<u>29,051</u>	<u>12,731,364</u>
-	759,546
-	4,845
<u>-</u>	<u>4,845</u>
-	764,391
-	3,508,236
<u>\$ -</u>	<u>\$ 4,272,627</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Special Revenue</b>				
<b>Food Service</b>				
Total revenue and other sources . . . . .	\$ 5,693,600	\$ 5,827,500	\$ 5,827,429	\$ (71)
Total expenditures and other uses . . . . .	<u>5,978,382</u>	<u>5,640,882</u>	<u>5,467,536</u>	<u>173,346</u>
Net change in fund balance . . . . .	(284,782)	186,618	359,893	173,275
Fund balance at beginning of year . . . . .	2,780,405	2,780,405	2,780,405	-
Prior year encumbrances appropriated . . . . .	100,790	100,790	100,790	-
Fund balance at end of year . . . . .	<u>\$ 2,596,413</u>	<u>\$ 3,067,813</u>	<u>\$ 3,241,088</u>	<u>\$ 173,275</u>
<b>Uniform School Supplies</b>				
Total revenue and other sources . . . . .	\$ 190,000	\$ 160,500	\$ 159,534	\$ (966)
Total expenditures and other uses . . . . .	<u>195,510</u>	<u>168,290</u>	<u>166,875</u>	<u>1,415</u>
Net change in fund balance . . . . .	(5,510)	(7,790)	(7,341)	449
Fund balance at beginning of year . . . . .	343	343	343	-
Prior year encumbrances appropriated . . . . .	7,690	7,690	7,690	-
Fund balance at end of year . . . . .	<u>\$ 2,523</u>	<u>\$ 243</u>	<u>\$ 692</u>	<u>\$ 449</u>
<b>Public School Support</b>				
Total revenue and other sources . . . . .	\$ 204,000	\$ 226,250	\$ 227,293	\$ 1,043
Total expenditures and other uses . . . . .	<u>302,480</u>	<u>270,917</u>	<u>236,880</u>	<u>34,037</u>
Net change in fund balance . . . . .	(98,480)	(44,667)	(9,587)	35,080
Fund balance at beginning of year . . . . .	313,333	313,333	313,333	-
Prior year encumbrances appropriated . . . . .	6,988	6,988	6,988	-
Fund balance at end of year . . . . .	<u>\$ 221,841</u>	<u>\$ 275,654</u>	<u>\$ 310,734</u>	<u>\$ 35,080</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Other Local</b>				
Total revenue and other sources . . . . .	\$ 75,000	\$ 76,080	\$ 76,080	\$ -
Total expenditures and other uses . . . . .	<u>79,521</u>	<u>107,857</u>	<u>74,479</u>	<u>33,378</u>
Net change in fund balance . . . . .	(4,521)	(31,777)	1,601	33,378
Fund balance at beginning of year . . . . .	26,930	26,930	26,930	-
Prior year encumbrances appropriated . . . . .	4,845	4,845	4,845	-
Fund balance at end of year . . . . .	<u>\$ 27,254</u>	<u>\$ (2)</u>	<u>\$ 33,376</u>	<u>\$ 33,378</u>
<b>District Managed</b>				
Total revenue and other sources . . . . .	\$ 914,502	\$ 997,217	\$ 997,147	\$ (70)
Total expenditures and other uses . . . . .	<u>1,090,485</u>	<u>964,487</u>	<u>894,829</u>	<u>69,658</u>
Net change in fund balance . . . . .	(175,983)	32,730	102,318	69,588
Fund balance at beginning of year . . . . .	640,472	640,472	640,472	-
Prior year encumbrances appropriated . . . . .	16,143	16,143	16,143	-
Fund balance at end of year . . . . .	<u>\$ 480,632</u>	<u>\$ 689,345</u>	<u>\$ 758,933</u>	<u>\$ 69,588</u>
<b>Auxiliary Services</b>				
Total revenue and other sources . . . . .	\$ 1,250,000	\$ 948,455	\$ 948,549	\$ 94
Total expenditures and other uses . . . . .	<u>1,510,007</u>	<u>1,279,892</u>	<u>1,041,232</u>	<u>238,660</u>
Net change in fund balance . . . . .	(260,007)	(331,437)	(92,683)	238,754
Fund balance at beginning of year . . . . .	71,435	71,435	71,435	-
Prior year encumbrances appropriated . . . . .	260,007	260,007	260,007	-
Fund balance at end of year . . . . .	<u>\$ 71,435</u>	<u>\$ 5</u>	<u>\$ 238,759</u>	<u>\$ 238,754</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Data Communications</b>				
Total revenue and other sources. . . . .	\$ 37,800	\$ 37,800	\$ 37,800	\$ -
Total expenditures and other uses . . . . .	<u>38,700</u>	<u>37,800</u>	<u>37,800</u>	<u>-</u>
Net change in fund balance . . . . .	(900)	-	-	-
Fund balance at beginning of year. . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ (900)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Alternative Schools</b>				
Total revenue and other sources. . . . .	\$ 62,794	\$ 7,794	\$ 7,794	\$ -
Total expenditures and other uses . . . . .	<u>55,000</u>	<u>7,376</u>	<u>7,376</u>	<u>-</u>
Net change in fund balance . . . . .	7,794	418	418	-
Fund balance at beginning of year. . . . .	(418)	(418)	(418)	-
Prior year encumbrances appropriated. . . . .	-	-	-	-
Fund balances (deficit) at end of year. . . . .	<u>\$ 7,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Straight A</b>				
Total revenue and other sources. . . . .	\$ 127,000	\$ 125,500	\$ 110,761	\$ (14,739)
Total expenditures and other uses . . . . .	<u>15,392</u>	<u>32,992</u>	<u>32,853</u>	<u>139</u>
Net change in fund balance . . . . .	111,608	92,508	77,908	(14,600)
Fund balance at beginning of year. . . . .	(107,792)	(107,792)	(107,792)	-
Prior year encumbrances appropriated. . . . .	15,392	15,392	15,392	-
Fund balance (deficit) at end of year. . . . .	<u>\$ 19,208</u>	<u>\$ 108</u>	<u>\$ (14,492)</u>	<u>\$ (14,600)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Other State</b>				
Total revenue and other sources . . . . .	\$ 82,048	\$ 268,002	\$ 75,388	\$ (192,614)
Total expenditures and other uses . . . . .	<u>75,000</u>	<u>266,724</u>	<u>187,559</u>	<u>79,165</u>
Net change in fund balance . . . . .	7,048	1,278	(112,171)	(113,449)
Fund balance at beginning of year . . . . .	(1,279)	(1,279)	(1,279)	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 5,769</u>	<u>\$ (1)</u>	<u>\$ (113,450)</u>	<u>\$ (113,449)</u>
<b>IDEA, Part B</b>				
Total revenue and other sources . . . . .	\$ 3,825,825	\$ 3,280,806	\$ 2,557,636	\$ (723,170)
Total expenditures and other uses . . . . .	<u>3,335,484</u>	<u>3,263,693</u>	<u>2,638,999</u>	<u>624,694</u>
Net change in fund balance . . . . .	490,341	17,113	(81,363)	(98,476)
Fund balance at beginning of year . . . . .	(152,075)	(152,075)	(152,075)	-
Prior year encumbrances appropriated . . . . .	135,484	135,484	135,484	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 473,750</u>	<u>\$ 522</u>	<u>\$ (97,954)</u>	<u>\$ (98,476)</u>
<b>Title III</b>				
Total revenue and other sources . . . . .	\$ 325,130	\$ 343,100	\$ 264,744	\$ (78,356)
Total expenditures and other uses . . . . .	<u>290,129</u>	<u>344,999</u>	<u>288,347</u>	<u>56,652</u>
Net change in fund balance . . . . .	35,001	(1,899)	(23,603)	(21,704)
Fund balance at beginning of year . . . . .	769	769	769	-
Prior year encumbrances appropriated . . . . .	1,129	1,129	1,129	-
Fund balance at end of year . . . . .	<u>\$ 36,899</u>	<u>\$ (1)</u>	<u>\$ (21,705)</u>	<u>\$ (21,704)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Transition Program for Refugee Children</b>				
Total revenue and other sources . . . . .	\$ 32,977	\$ 36,057	\$ 13,825	\$ (22,232)
Total expenditures and other uses . . . . .	<u>25,000</u>	<u>33,885</u>	<u>26,613</u>	<u>7,272</u>
Net change in fund balance . . . . .	7,977	2,172	(12,788)	(14,960)
Fund balance at beginning of year . . . . .	(2,172)	(2,172)	(2,172)	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ 5,805</u>	<u>\$ -</u>	<u>\$ (14,960)</u>	<u>\$ (14,960)</u>
<b>Title I</b>				
Total revenue and other sources . . . . .	\$ 2,711,146	\$ 2,573,540	\$ 2,034,945	\$ (538,595)
Total expenditures and other uses . . . . .	<u>2,235,034</u>	<u>2,498,182</u>	<u>1,983,444</u>	<u>514,738</u>
Net change in fund balance . . . . .	476,112	75,358	51,501	(23,857)
Fund balance (deficit) at beginning of year . . . . .	(110,391)	(110,391)	(110,391)	-
Prior year encumbrances appropriated . . . . .	35,034	35,034	35,034	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 400,755</u>	<u>\$ 1</u>	<u>\$ (23,856)</u>	<u>\$ (23,857)</u>
<b>Preschool Handicapped</b>				
Total revenue and other sources . . . . .	\$ 40,590	\$ 64,151	\$ 35,440	\$ (28,711)
Total expenditures and other uses . . . . .	<u>35,000</u>	<u>63,673</u>	<u>35,000</u>	<u>28,673</u>
Net change in fund balance . . . . .	5,590	478	440	(38)
Fund balance (deficit) at beginning of year . . . . .	(423)	(423)	(423)	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 5,167</u>	<u>\$ 55</u>	<u>\$ 17</u>	<u>\$ (38)</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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Title II-A</b>				
Total revenue and other sources. . . . .	\$ 430,934	\$ 515,411	\$ 299,013	\$ (216,398)
Total expenditures and other uses . . . . .	<u>355,663</u>	<u>510,596</u>	<u>315,483</u>	<u>195,113</u>
Net change in fund balance . . . . .	75,271	4,815	(16,470)	(21,285)
Fund balance (deficit) at beginning of year. . . . .	(25,476)	(25,476)	(25,476)	-
Prior year encumbrances appropriated. . . . .	20,663	20,663	20,663	-
Fund balance (deficit) at end of year. . . . .	<u>\$ 70,458</u>	<u>\$ 2</u>	<u>\$ (21,283)</u>	<u>\$ (21,285)</u>
<b>Miscellaneous Federal Grants</b>				
Total revenue and other sources. . . . .	\$ 10,000	\$ 63,673	\$ 26,908	\$ (36,765)
Total expenditures and other uses . . . . .	<u>5,000</u>	<u>63,673</u>	<u>33,051</u>	<u>30,622</u>
Net change in fund balance . . . . .	5,000	-	(6,143)	(6,143)
Fund balance (deficit) at beginning of year. . . . .	-	-	-	-
Prior year encumbrances appropriated. . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (6,143)</u>	<u>\$ (6,143)</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, 2018

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 7,494,213	\$ 322,415	\$ 7,816,628
Total assets . . . . .	<u>7,494,213</u>	<u>322,415</u>	<u>7,816,628</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 785	\$ -	\$ 785
Unearned revenue. . . . .	1,760,818	-	1,760,818
Claims payable . . . . .	<u>1,353,000</u>	-	<u>1,353,000</u>
Total liabilities . . . . .	<u>3,114,603</u>	<u>-</u>	<u>3,114,603</u>
<b>Net Position:</b>			
Unrestricted . . . . .	<u>4,379,610</u>	<u>322,415</u>	<u>4,702,025</u>
Total net position . . . . .	<u>\$ 4,379,610</u>	<u>\$ 322,415</u>	<u>\$ 4,702,025</u>

**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, 2018

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 20,292,839	\$ 302,677	\$ 20,595,516
Total operating revenues . . . . .	20,292,839	302,677	20,595,516
<b>Operating expenses:</b>			
Purchased services. . . . .	1,388,280	470,663	1,858,943
Claims. . . . .	18,966,503	-	18,966,503
Total operating expenses. . . . .	20,354,783	470,663	20,825,446
Operating income (loss). . . . .	(61,944)	(167,986)	(229,930)
<b>Nonoperating revenues:</b>			
Interest revenue. . . . .	-	5,997	5,997
Total nonoperating revenues. . . . .	-	5,997	5,997
Change in net position. . . . .	(61,944)	(161,989)	(223,933)
<b>Net position at beginning of year. . . . .</b>	4,441,554	484,404	4,925,958
<b>Net position at end of year. . . . .</b>	\$ 4,379,610	\$ 322,415	\$ 4,702,025

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from charges for services. . . . .	\$ 20,580,459	\$ 302,677	\$ 20,883,136
Cash payments for contractual services . . . . .	(1,389,032)	(500,148)	(1,889,180)
Cash payments for claims. . . . .	(18,905,718)	-	(18,905,718)
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities. . .	285,709	(197,471)	88,238
	<hr/>	<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Interest received . . . . .	-	5,997	5,997
	<hr/>	<hr/>	<hr/>
Net cash provided by investing activities. . . . .	-	5,997	5,997
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents. . .	285,709	(191,474)	94,235
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of year . . . .</b>	7,208,504	513,889	7,722,393
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 7,494,213</u>	<u>\$ 322,415</u>	<u>\$ 7,816,628</u>
	<hr/>	<hr/>	<hr/>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating loss. . . . .	\$ (61,944)	\$ (167,986)	\$ (229,930)
Changes in assets and liabilities:			
Increase in accounts payable. . . . .	33	-	33
Increase in unearned revenue. . . . .	287,620	-	287,620
Increase (decrease) in claims payable. . . . .	60,000	(29,485)	30,515
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities . .	<u>\$ 285,709</u>	<u>\$ (197,471)</u>	<u>\$ 88,238</u>
	<hr/>	<hr/>	<hr/>

**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, 2018

	<b>Beginning Balance June 30, 2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2018</b>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 86,512	\$ 18,552	\$ 21,649	\$ 83,415
Total assets . . . . .	<u>\$ 86,512</u>	<u>\$ 18,552</u>	<u>\$ 21,649</u>	<u>\$ 83,415</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 41	\$ 98	\$ 41	\$ 98
Due to primary government. . . . .	86,471	18,454	21,608	83,317
Total liabilities . . . . .	<u>\$ 86,512</u>	<u>\$ 18,552</u>	<u>\$ 21,649</u>	<u>\$ 83,415</u>
<b>Student Managed Activity</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 279,111	\$ 332,868	\$ 283,011	\$ 328,968
Total assets . . . . .	<u>\$ 279,111</u>	<u>\$ 332,868</u>	<u>\$ 283,011</u>	<u>\$ 328,968</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 7,853	\$ 7,359	\$ 7,853	\$ 7,359
Due to students . . . . .	271,258	321,609	271,258	321,609
Total liabilities . . . . .	<u>\$ 279,111</u>	<u>\$ 328,968</u>	<u>\$ 279,111</u>	<u>\$ 328,968</u>
<b>Section 125 Cafeteria Plan</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 14,627	\$ -	\$ -	\$ 14,627
Total assets . . . . .	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,627</u>
<b>Liabilities:</b>				
Due to primary government. . . . .	\$ 14,627	\$ -	\$ -	\$ 14,627
Total liabilities . . . . .	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,627</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 380,250	\$ 351,420	\$ 304,660	\$ 427,010
Total assets . . . . .	<u>\$ 380,250</u>	<u>\$ 351,420</u>	<u>\$ 304,660</u>	<u>\$ 427,010</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 7,894	\$ 7,457	\$ 7,894	\$ 7,457
Due to students . . . . .	271,258	321,609	271,258	321,609
Due to primary government. . . . .	101,098	18,454	21,608	97,944
Total liabilities . . . . .	<u>\$ 380,250</u>	<u>\$ 347,520</u>	<u>\$ 300,760</u>	<u>\$ 427,010</u>



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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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>136</b>
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>142</b>
These schedules contain information to help the reader assess the affordability of the District’s most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>146</b>
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.	
<b>Demographic and Economic Information</b>	<b>150</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	
<b>Operating Information</b>	<b>152</b>
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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$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	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	(53,639,728)	(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	\$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)

	2018	2017	2016	2015	2014
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$40,163,402	\$84,233,891	\$73,908,072	\$68,584,408	\$66,313,068
Special	17,805,654	31,521,679	28,042,044	25,107,853	25,480,559
Vocational	474,237	444,595	405,855	366,088	445,614
Other	491,746	583,781	501,539	476,725	1,112,390
Support services					
Pupil	6,354,718	16,292,308	13,872,815	12,969,840	12,572,832
Instructional Staff	3,008,329	6,628,390	5,737,536	4,740,756	5,024,415
Board of education	1,101,088	1,177,092	1,022,775	1,011,234	976,576
Administration	6,187,446	12,900,657	12,301,803	11,317,560	11,184,393
Fiscal	2,225,049	3,102,165	2,937,632	3,284,545	2,419,301
Business	281,468	1,481,475	1,116,402	1,183,128	771,179
Operation and maintenance	9,425,832	13,981,402	12,956,102	12,843,328	12,264,013
Pupil transportation	5,865,512	9,111,824	8,373,304	8,230,115	8,033,390
Central	1,861,420	2,882,809	2,722,004	2,440,728	3,114,022
Other non-instructional	739,334	1,551,059	1,564,744	7,654,093	996,307
Food service operations	3,900,171	5,697,364	5,167,219	5,410,307	4,234,420
Extracurricular activities	2,067,512	3,568,071	3,471,963	3,192,138	3,191,362
Interest and fiscal charges	3,647,362	3,031,487	3,306,935	3,318,675	3,415,848
Total governmental activities	<u>\$105,600,280</u>	<u>\$198,190,049</u>	<u>\$177,408,744</u>	<u>\$172,131,521</u>	<u>\$161,549,689</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$3,950,764	\$2,441,220	\$1,901,613	\$1,541,558	\$1,302,069
Special	385,230	222,364	328,004	461,720	403,803
Pupil	136,547	154,985	210,009	188,009	269,086
Operations and maintenance	860,671	845,038	761,658	582,277	585,468
Food service operations	2,425,914	2,354,167	2,219,353	2,043,230	2,008,596
Extracurricular activities	1,336,478	1,181,367	1,303,030	1,440,257	1,402,184
Operating grants and contributions	17,789,781	18,488,351	17,269,656	26,095,560	13,277,875
Capital grants and contributions	-	176,247	-	-	-
Total governmental activities	<u>26,885,385</u>	<u>25,863,739</u>	<u>23,993,323</u>	<u>32,352,611</u>	<u>19,249,081</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$78,714,895)</u>	<u>(\$172,326,310)</u>	<u>(\$153,415,421)</u>	<u>(\$139,778,910)</u>	<u>(\$142,300,608)</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$111,510,991	\$110,181,415	\$108,123,915	\$105,839,968	\$111,221,456
Debt service	7,645,939	7,611,818	7,749,164	7,562,574	6,848,950
Capital outlay	8,023,667	8,156,537	7,890,629	7,707,332	8,176,677
Payments in lieu of taxes	3,918,615	3,435,072	3,204,684	3,213,638	3,124,487
Grants and entitlements not restricted to specific programs	54,044,147	52,312,476	49,942,547	47,812,297	48,084,282
Investment earnings	959,858	304,147	969,058	300,812	74,676
Miscellaneous	51,086	207,208	241,113	8,730	48,440
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>186,154,303</u>	<u>182,208,673</u>	<u>178,121,110</u>	<u>172,445,351</u>	<u>177,578,968</u>
<b>Change in net position</b>					
Governmental activities	<u>\$107,439,408</u>	<u>\$9,882,363</u>	<u>\$24,705,689</u>	<u>\$32,666,441</u>	<u>\$35,278,360</u>

Source: School district financial records

	2013	2012	2011	2010	2009
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$65,111,562	\$77,038,152	\$69,983,172	\$69,463,578	\$67,449,754
Special	19,263,846	22,144,035	23,747,901	21,153,825	21,788,841
Vocational	374,107	252,328	915,477	548,891	593,157
Other	703,618	855,741	4,970,334	4,568,165	4,558,042
Support services					
Pupil	11,905,444	12,320,476	12,816,822	11,340,996	11,253,575
Instructional Staff	8,150,793	9,133,132	6,401,728	5,242,394	5,541,038
Board of education	1,095,184	1,424,003	1,728,752	1,651,416	1,456,641
Administration	11,536,433	12,508,555	11,888,608	11,245,165	10,791,283
Fiscal	2,969,256	2,628,335	2,804,650	2,625,949	1,632,219
Business	749,427	818,150	1,204,083	952,097	988,944
Operation and maintenance	11,913,251	12,980,201	16,024,992	14,131,404	13,624,034
Pupil transportation	7,540,459	8,816,149	8,815,697	8,473,897	7,987,307
Central	3,095,770	2,392,018	2,731,958	3,553,586	3,514,157
Other non-instructional	1,104,465	1,081,274	1,048,002	985,404	1,190,109
Food service operations	4,422,324	4,540,831	4,498,897	4,262,060	4,120,885
Extracurricular activities	3,035,404	3,333,926	3,320,713	3,156,520	2,888,932
Interest and fiscal charges	4,518,402	4,592,392	5,627,155	5,665,429	5,566,387
Total governmental activities	<u>\$157,489,745</u>	<u>\$176,859,698</u>	<u>\$178,528,941</u>	<u>\$169,020,776</u>	<u>\$164,945,305</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$1,254,691	\$1,330,006	\$1,377,360	\$1,283,750	\$1,283,887
Special	353,219	384,891	302,016	405,395	196,923
Pupil	282,575	285,892	-	-	-
Operations and maintenance	659,830	620,748	-	-	-
Food service operations	2,192,185	2,286,224	2,755,355	2,757,264	2,799,032
Extracurricular activities	1,395,942	1,216,395	1,488,255	1,410,889	1,355,317
Operating grants and contributions	11,268,684	13,775,709	10,502,282	9,498,432	7,869,476
Capital grants and contributions	-	3,800	-	-	-
Total governmental activities	<u>17,407,126</u>	<u>19,903,665</u>	<u>16,425,268</u>	<u>15,355,730</u>	<u>13,504,635</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$140,082,619)</u>	<u>(\$156,956,033)</u>	<u>(\$162,103,673)</u>	<u>(\$153,665,046)</u>	<u>(\$151,440,670)</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$103,584,589	\$93,253,033	\$97,182,551	\$92,703,533	\$80,868,900
Debt service	6,577,946	8,098,833	8,092,890	10,695,455	10,612,532
Capital outlay	7,592,955	8,102,942	7,539,296	5,273,876	5,290,857
Payments in lieu of taxes	2,878,328	2,385,150	1,279,078	1,117,132	974,418
Grants and entitlements not restricted to specific programs	44,384,373	45,138,161	52,556,276	52,929,017	49,181,194
Investment earnings	26,670	35,235	87,739	54,648	459,231
Miscellaneous	152,177	374,973	931,842	862,998	866,779
Extraordinary item	-	933,687	-	-	-
Total governmental activities	<u>165,197,038</u>	<u>158,322,014</u>	<u>167,669,672</u>	<u>163,636,659</u>	<u>148,253,911</u>
<b>Change in net position</b>					
Governmental activities	<u>\$25,114,419</u>	<u>\$1,365,981</u>	<u>\$5,565,999</u>	<u>\$9,971,613</u>	<u>(\$3,186,759)</u>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General fund</b>										
Nonspendable	\$1,148,446	\$813,460	\$526,976	\$416,379	\$399,060	\$439,078	\$422,187	\$98,661	N/A	N/A
Committed	N/A	N/A	1,560,834	29,500	175,524	N/A	N/A	N/A	N/A	N/A
Assigned	328,855	1,787,308	1,661,076	1,224,286	1,679,597	1,547,118	2,344,056	790,544	N/A	N/A
Unassigned	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	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30,427,754	\$26,081,899
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(8,480,367)	(15,420,065)
<b>Total General fund</b>	<b>\$138,939,426</b>	<b>\$121,855,807</b>	<b>\$108,548,741</b>	<b>\$90,790,558</b>	<b>\$71,136,642</b>	<b>\$39,522,246</b>	<b>\$20,148,122</b>	<b>\$24,453,341</b>	<b>\$21,947,387</b>	<b>\$10,661,834</b>
<b>All other governmental funds</b>										
Nonspendable	\$235,024	\$340,265	\$467,418	\$649,121	\$341,486	\$146,804	\$28,811	\$30,463	N/A	N/A
Restricted:										
Debt service	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	N/A
Capital improvements	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	N/A
Other purposes	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	N/A
Committed	-	-	-	-	-	-	-	1,024,033	N/A	N/A
Unassigned	(128,089)	(4,036)	(3,936)	(28,024)	(367,746)	(231,827)	(1,119)	998,493	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,667,994	\$5,647,773
Unreserved, reported in:										
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,876,475	6,892,804
Permanent Improvement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,069,634	4,197,928
Special Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	792,859	901,467
<b>Total all other governmental funds</b>	<b>\$22,665,251</b>	<b>\$20,146,713</b>	<b>\$17,971,069</b>	<b>\$19,690,156</b>	<b>\$20,208,868</b>	<b>\$17,863,193</b>	<b>\$18,396,410</b>	<b>\$22,041,521</b>	<b>\$39,406,962</b>	<b>\$17,639,972</b>

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)

	2018	2017	2016	2015	2014
<b>Revenues:</b>					
From local sources:					
Property taxes	\$128,498,851	\$126,134,736	\$124,023,549	\$121,276,452	\$127,136,099
Payment in lieu of taxes	3,918,615	3,435,072	3,204,684	3,213,638	3,124,487
Tuition	3,872,256	2,257,514	1,833,293	1,587,327	1,142,678
Earnings on investments	994,142	346,537	980,944	221,523	58,323
Charges for services	2,425,914	2,329,261	2,212,531	2,043,230	2,008,596
Extracurricular	1,461,110	1,332,772	1,489,064	1,621,420	1,671,270
Intergovernmental - state	62,568,303	61,276,337	59,041,825	65,223,827	52,698,298
Intergovernmental - federal	8,948,790	9,472,408	8,531,467	8,050,706	8,257,359
Other revenue	1,624,015	1,687,781	1,497,505	1,357,722	1,416,984
<b>Total revenues</b>	<b>214,311,996</b>	<b>208,272,418</b>	<b>202,814,862</b>	<b>204,595,845</b>	<b>197,514,094</b>
<b>Expenditures:</b>					
Instructional					
Regular	75,360,710	74,669,748	69,643,637	67,900,858	61,455,256
Special	29,506,804	28,510,975	26,807,474	25,022,103	23,681,609
Vocational	455,678	426,686	382,066	350,658	415,886
Other	736,852	507,204	508,207	478,046	1,081,547
Support Services					
Pupil	15,373,490	14,835,096	13,943,880	13,408,955	12,550,934
Instructional staff	6,482,858	6,050,835	5,656,216	4,918,021	4,935,081
Board of education	1,097,316	1,173,196	1,018,812	1,007,703	663,021
Administration	12,222,088	11,667,051	11,558,474	11,089,546	10,420,192
Fiscal	2,896,080	3,019,062	2,925,189	3,290,270	2,423,238
Business	1,017,821	1,261,554	1,118,033	1,195,351	765,024
Operation and maintenance	13,103,627	12,710,150	12,369,949	12,571,794	12,111,834
Pupil transportation	8,173,935	7,835,080	7,534,851	7,604,653	7,379,932
Central	2,363,241	2,190,204	1,876,133	1,888,561	2,090,354
Other non-instructional	1,133,775	1,448,465	1,555,573	7,655,236	988,442
Food service operations	5,342,974	5,413,295	5,146,018	5,383,345	4,212,936
Extracurricular activities	3,256,042	3,020,629	3,171,892	2,928,280	2,823,848
Facilities acquisition and construction	4,949,607	6,432,272	10,242,003	7,539,276	5,342,023
Capital Outlay	-	-	750,440	-	-
Debt Service:					
Principal retirement	8,857,131	8,624,483	8,440,035	7,915,000	6,975,000
Interest and fiscal charges	2,423,991	2,454,738	3,081,141	3,312,985	3,516,394
Bond issuance costs	-	108,000	-	-	-
<b>Total expenditures</b>	<b>194,754,020</b>	<b>192,358,723</b>	<b>187,730,023</b>	<b>185,460,641</b>	<b>163,832,551</b>
Excess (deficiency) of revenues over (under) expenditures	19,557,976	15,913,695	15,084,839	19,135,204	33,681,543
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	-	-	-	-	-
Capital lease transaction	-	-	750,440	-	-
Proceeds on sale of assets	44,181	17,789	203,817	-	278,528
Transfers in	3,000,375	3,027,500	3,023,094	3,077,013	3,072,463
Transfers out	(3,000,375)	(3,027,500)	(3,023,094)	(3,077,013)	(3,072,463)
<b>Total other financing sources (uses)</b>	<b>44,181</b>	<b>(430,985)</b>	<b>954,257</b>	<b>-</b>	<b>278,528</b>
<b>Net change in fund balances</b>	<b>\$19,602,157</b>	<b>\$15,482,710</b>	<b>\$16,039,096</b>	<b>\$19,135,204</b>	<b>\$33,960,071</b>
Debt service as a percentage of noncapital expenditures	5.96%	6.00%	6.40%	6.32%	6.50%

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.

	2013	2012	2011	2010	2009
<b>Revenues:</b>					
From local sources:					
Property taxes	\$118,280,521	\$108,880,413	\$112,396,958	\$108,538,581	\$96,035,461
Payment in lieu of taxes	2,878,328	2,385,150	1,279,078	1,117,132	974,418
Tuition	1,079,589	1,145,130	1,679,376	1,448,710	1,241,502
Earnings on investments	27,589	35,657	87,187	53,787	435,765
Charges for services	2,192,185	2,283,149	2,755,355	N/A	N/A
Extracurricular	1,678,517	1,480,081	1,488,255	1,410,889	1,355,317
Intergovernmental - state	47,565,426	48,531,131	51,597,664	51,330,484	50,719,372
Intergovernmental - federal	7,515,865	9,819,993	11,952,761	8,627,884	4,791,082
Other revenue	1,594,091	1,814,913	1,048,321	896,921	918,238
<b>Total revenues</b>	<b>182,812,111</b>	<b>176,375,617</b>	<b>184,284,955</b>	<b>173,424,388</b>	<b>156,471,155</b>
<b>Expenditures:</b>					
Instructional					
Regular	62,252,644	71,201,427	66,458,161	66,266,194	64,155,120
Special	18,337,328	20,784,931	22,876,833	20,453,616	20,884,904
Vocational	347,695	212,194	888,488	523,561	567,680
Other	727,505	840,636	4,807,010	4,401,401	4,397,956
Support Services					
Pupil	12,198,691	12,299,051	12,869,176	11,270,648	11,175,462
Instrucational staff	8,261,218	9,085,119	6,349,461	5,298,758	5,528,096
Board of education	472,039	1,424,110	1,728,431	1,651,416	1,456,641
Administration	10,930,851	11,299,484	11,323,936	10,825,911	10,201,514
Fiscal	2,989,204	2,620,580	2,793,321	2,948,045	1,629,092
Business	705,323	860,314	1,174,471	903,218	953,696
Operation and maintenance	11,972,843	12,927,669	15,635,931	13,878,489	13,414,960
Pupil transportation	7,104,390	8,183,791	8,331,020	7,947,634	7,436,535
Central	2,281,970	2,322,652	2,384,339	2,422,504	3,435,033
Other non-instructional	1,112,708	978,110	1,055,554	982,797	1,175,295
Food service operations	4,389,180	4,498,250	4,455,617	600	1,500
Extracurricular activities	2,803,033	3,152,392	3,194,118	2,998,384	2,819,478
Facilities acquisition and construction	6,266,301	10,212,668	20,716,089	1,947,983	2,877,972
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal retirement	7,165,000	6,535,000	7,660,000	7,095,000	5,700,000
Interest and fiscal charges	3,718,539	4,887,569	5,178,619	4,420,045	4,674,163
Bond issuance costs	366,527	-	-	-	-
<b>Total expenditures</b>	<b>164,402,989</b>	<b>184,325,947</b>	<b>199,880,575</b>	<b>166,236,204</b>	<b>162,485,097</b>
Excess (deficiency) of revenues over (under) expenditures	18,409,122	(7,950,330)	(15,595,620)	7,188,184	(6,013,942)
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	-
Proceeds on sale of assets	65,258	-	-	-	-
Transfers in	2,979,300	2,980,338	467,959	2,687,736	-
Transfers out	(2,979,300)	(2,980,338)	(467,959)	(2,726,719)	-
<b>Total other financing sources (uses)</b>	<b>431,785</b>	<b>-</b>	<b>-</b>	<b>25,864,359</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$18,840,907</b>	<b>(\$7,950,330)</b>	<b>(\$15,595,620)</b>	<b>\$33,052,543</b>	<b>(\$6,013,942)</b>
Debt service as a percentage of noncapital expenditures	6.77%	6.38%	7.17%	7.01%	6.50%

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 General Business (b)		Tangible Personal Property Public Utility (c)		Total		(d) Total Direct Voted Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
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	\$39,065,530	\$111,615,800	\$2,474,640,496	\$7,106,653,520	73.00
2009	\$2,418,789,480	\$6,910,827,086	\$4,064,812	\$40,648,120	\$38,076,550	\$108,790,143	\$2,460,930,842	\$7,060,265,349	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															
	Gen. Fd.	Bond	Voted	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)
2017/2018	68.15	3.30	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
Res/Agr	42.98	3.30	3.30	3.40	3.80	53.48	16.82	6.46	14.72	3.14	23.99	12.15	11.19001	18.59	13.56	53.48
Comm/Ind	46.88	3.30	3.30	3.62	3.80	57.60	17.71	6.90	17.57	3.14	26.88	13.27	9.87	25.34	14.08	57.60
2016/2017	68.95	3.65	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	3.80	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	3.80	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	3.25	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	3.25	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	3.85	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	3.60	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	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
2008/2009	61.60	4.90	4.90	2.70	3.80	73.00	18.02	5.85	17.70	3.14	26.56	9.40	15.35	23.50	15.95	17.70
2007/2008	61.60	4.40	4.40	2.70	3.80	72.50	18.49	5.65	17.64	3.14	26.51	9.40	12.85	23.50	15.95	17.64

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, 2017	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Ohio Power Company	\$5,126,530	0.44%
2. Columbia Gas Of Ohio, Inc.	\$2,825,840	0.24%
<u>Real Estate</u>		
1. Banc One Management Corp.	\$9,318,750.00	0.79%
2. NRI Brookside LLC	\$8,172,670.00	0.69%
3. GC Net Least	\$5,799,990.00	0.49%
4. St. Ann's Hospital of Columbus, Inc.	\$5,313,350.00	0.45%
5. Maxtown Communities LLC	\$5,250,000.00	0.45%
6. Meijer Stores Limited Partnership	\$4,876,630.00	0.41%
7. Westerville Senior Development LTD	\$4,112,510.00	0.35%
8. Westerville Plaza LP	\$2,710,480.00	0.23%
9. ET Westerville Ads LLC	\$2,275,010.00	0.19%
10. Westerville Square, Inc.	\$2,124,470.00	0.18%
<u>Tangible Personal Property *</u>		
All Others	\$1,120,197,540	95.08%
Total Assessed Valuation	\$1,178,103,770	100.00%

Name of Taxpayer	June 30, 2008	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Columbus Southern Power	\$3,911,060	0.37%
2. Columbia Gas Of Ohio, Inc.	\$379,540	0.04%
3. Ohio Power Company	\$46,900	0.00%
4. American Municipal Power Ohio, Inc	\$920	0.00%
<u>Real Estate</u>		
1. Banc One Management Corp.	\$13,955,000	1.31%
2. NRI Brookside LLC	\$9,812,350	0.92%
3. Maxtown Communities LLC	\$5,508,090	0.52%
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.	\$3,338,660	0.31%
8. HCRA Properties, LLC	\$2,775,520	0.26%
9. Brookside 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	\$1,698,900	0.16%
2. Ohio Bell Telephone Company	\$1,332,440	0.13%
3. Rockwell Automation, Inc.	\$934,140	0.09%
4. Roush Equipment Company Inc.	\$757,360	0.07%
5. Exel, Inc.	\$754,610	0.07%
6. Worthington Cylinder Corp.	\$634,910	0.06%
7. Meijer Stores Limited Partnership	\$610,550	0.06%
8. Roadrunner Holdco, LLC	\$551,060	0.05%
9. Time Warner Entertainment Co. LP	\$479,690	0.05%
10. Lake Shore Cryotronics, Inc.	\$403,230	0.04%
All Others	\$999,724,266	93.86%
Total Assessed Valuation	\$1,065,069,846	100.00%

Source: Franklin County Auditor

Assessed Values are for the valuation year of 2016 and 2007, 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
2017/18	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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
2008/09	\$69,423,869	\$4,055,888	\$73,479,757	\$66,559,029	95.87%	\$2,341,458	\$68,900,487	93.77%	\$4,312,427

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				
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	\$74,706,612	2.03%	\$778	\$4,954
2016	\$70,569,887	\$13,150,000	\$645,405	\$83,719,887	2.32%	\$887	\$5,623
2015	\$76,728,042	\$15,490,000	\$750,440	\$92,218,042	2.63%	\$983	\$6,264
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	\$7,457
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
2009	\$104,945,688	\$0	\$0	\$104,945,688	3.69%	\$1,303	\$7,209

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

(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
2018	\$7,496,634,571	\$67,158,938	\$8,940,652	\$58,218,286	0.78%	\$604
2017	\$6,693,189,029	\$74,706,612	\$8,497,852	\$66,208,760	0.99%	\$690
2016	\$6,636,731,685	\$83,719,887	\$8,462,043	\$75,257,844	1.13%	\$797
2015	\$6,628,516,371	\$92,218,042	\$8,418,185	\$83,799,857	1.26%	\$893
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
2009	\$7,060,265,349	\$104,945,688	\$10,102,167	\$94,843,521	1.34%	\$1,178

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 School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 as of June 30, 2018

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>\$67,158,938</u>	100.00%	<u>\$67,158,938</u>
Overlapping:			
Delaware County	\$47,368,300	12.38%	\$5,864,196
Franklin County	\$220,270,000	5.49%	\$12,092,823
City of Columbus	\$1,444,765,000	3.56%	\$51,433,634
City of Westerville	\$2,400,000	97.33%	\$2,335,920
Plain Township	\$1,221,000	1.16%	\$14,164
New Albany Plain Local Park District Misc.	<u>\$4,254,476</u>	0.84%	<u>\$35,738</u>
Total Overlapping	<u>\$1,720,278,776</u>		<u>\$71,776,475</u>
Total Direct and Overlapping Debt	<u><u>\$1,787,437,714</u></u>		<u><u>\$138,935,413</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 Schools  
 Legal Debt Margin Information  
 as of June 30, 2018

Assessed Valuation	<u>\$2,623,822,100</u>									
Voted and Unvoted Debt Limit - 9% of Assessed Valuation	\$236,143,989									
Balance in Debt Service Fund	<u>\$8,940,652</u>									
Total Debt Outstanding	\$61,295,000									
Less: Exempted Debt	<u>\$0</u>									
Net subject to 9% limit	\$61,295,000									
Total Legal Voted Debt Margin	<u>\$183,789,641</u>									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$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	\$231,585,943
Total Net Debt Applicable to Limit	\$61,295,000	\$69,995,000	\$78,470,000	\$86,805,000	\$94,720,000	\$101,695,000	\$108,895,000	\$113,719,969	\$118,622,212	\$100,650,446
Legal Debt Margin	<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>	<u>\$130,935,497</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	25.01%	31.91%	36.07%	39.96%	43.90%	47.27%	50.58%	49.47%	50.73%	43.46%

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  
 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
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%	14,844
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
2009	80,536	\$35,328	\$2,845,175,808	5.7%	50.7%	14,558

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 2017

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	6,035	9.3%	Banking & Financial Services
2 Mount Carmel Health Systems	3,428	5.3%	Health Care
3 Otterbein College	1,810	2.8%	Private College
4 Westerville City Schools	1,734	2.7%	Public Education
5 Alliance Data Systems, Inc.	1,475	2.3%	Finance Credit Services
6 Ohio Health	958	1.5%	Health Care
7 Franklin Education Service Center	935	1.4%	Educational Consultancy
8 City of Westerville	863	1.3%	Municipal Government
9 Cheryl's Cookies (1-800 Flowers)	712	1.1%	Retail Food
10 Exel Inc.	668	1.0%	Contract Logistics Provider
Total	<u>18,618</u>	<u>28.7%</u>	

December 2008

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	3,979	6.7%	Banking & Financial Services
2 Mount Carmel Health	2,203	3.7%	Health Care
3 Westerville City Schools	2,197	3.7%	Public Education
4 Otterbein College	1,841	3.1%	Private College
5 CMS Subsidiary	1,371	2.3%	Membership Services
6 Alliance Data Systems, Inc.	1,269	2.1%	Finance Credit Services
7 Cheryl's Cookies (1-800 Flowers)	980	1.7%	Retail Food
8 City of Westerville	850	1.4%	Municipal Government
9 Heartland Employment	819	1.4%	Financial Services
10 Worthington Cylinders	685	1.2%	Manufacturing
Total	<u>16,194</u>	<u>27.4%</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, 2017

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

	<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>	<u>2009</u>
Professional staff:										
Teaching staff:										
Elementary	430.10	427.50	434.10	433.50	422.00	414.00	410.50	415.95	433.07	403.41
Middle	210.70	213.50	211.13	206.20	210.00	205.50	195.50	208.80	232.25	232.40
High	278.10	283.60	276.40	261.40	251.20	256.00	246.83	257.35	271.65	278.35
Administrators:										
Certificated	62.00	61.00	58.00	61.00	56.00	52.00	54.50	56.50	55.50	55.50
Classified	15.00	15.00	15.00	13.00	16.00	14.00	14.00	16.00	16.00	16.00
Guidance counselors	35.00	35.00	32.00	32.00	31.00	30.00	29.00	32.00	32.00	32.00
Social Workers	7.00	7.00	7.00	7.00	7.00	4.50	6.50	0.00	1.00	1.00
Psychologists	16.30	14.30	12.00	12.00	12.00	13.60	13.00	16.70	14.20	14.20
Nurses	10.20	10.20	10.20	10.20	10.00	10.00	10.00	9.84	10.00	10.00
Speech	22.60	22.60	21.30	21.30	21.30	21.30	21.30	21.30	19.10	19.10
Adapted phys ed. - OT/PT	19.00	20.50	17.60	17.60	17.60	15.60	17.40	12.60	5.00	5.00
Media specialist	14.00	14.00	14.00	14.00	12.00	14.50	10.00	15.00	15.00	14.00
Support staff:										
Secretarial	111.96	107.67	105.99	101.18	96.48	94.54	98.90	113.62	113.62	114.87
ESL paraprofessionals	18.49	19.26	20.84	20.84	19.18	19.29	20.41	20.56	20.56	20.92
Educational Interpreter	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	3.40	3.88	3.88	4.73	4.73	4.45
Health Aides	9.13	9.17	9.69	11.24	9.05	8.65	8.85	8.86	8.86	8.86
Recess aides/crossing guards	23.74	22.52	27.67	26.96	21.44	32.05	20.79	23.10	23.10	24.50
Building/duty monitors	7.54	7.54	7.63	7.63	7.63	7.38	6.72	13.41	12.60	12.54
Parent Liasion	2.75	1.75	1.75	2.45	0.75	0.75	1.00	0.75	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 personnel	8.00	7.00	7.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00
Printers	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Food service	48.04	44.73	44.27	45.90	46.27	50.62	51.03	52.10	52.10	52.61
Nutrition Education Specialist	-	-	-	-	-	-	-	-	-	0.50
Custodial	74.50	74.50	72.75	70.25	68.00	69.00	71.75	87.75	88.75	88.75
Maintenance	17.00	15.00	16.00	15.00	14.00	15.00	17.00	18.00	17.00	17.00
HVAC	3.00	3.00	4.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Bus drivers	71.34	67.17	63.38	63.02	63.49	65.54	67.70	82.23	82.23	77.10
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
<b>Total</b>	<u>1,533.18</u>	<u>1,521.20</u>	<u>1,507.39</u>	<u>1,480.36</u>	<u>1,442.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>	<u>1,530.81</u>
Function:	<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>	<u>2009</u>
Governmental activities:										
Instruction	919.59	918.36	916.97	896.44	883.38	875.79	854.24	883.66	938.53	916.08
Support services:										
Pupils	182.50	180.77	172.03	171.87	162.93	162.11	153.06	158.16	145.59	146.65
Instructional staff	54.88	54.00	54.00	52.00	48.00	45.50	45.00	49.50	53.00	52.00
Administration	100.58	100.42	100.74	100.93	93.98	94.09	95.40	108.62	106.12	107.37
Fiscal services	8.50	8.50	8.50	8.00	8.00	10.00	11.00	11.00	11.00	11.00
Business services	9.50	9.50	10.00	10.00	10.00	10.00	9.50	11.50	11.50	11.50
Operation & maintenance	99.50	97.50	97.25	91.75	88.50	91.50	96.25	114.25	114.25	114.25
Student transportation	83.34	79.17	75.38	75.02	75.99	78.04	80.70	95.23	95.23	90.10
Central services	17.00	17.00	16.00	16.50	15.50	17.00	17.00	21.00	19.00	19.00
Food service operations	49.04	48.23	48.77	49.40	49.27	53.62	54.03	55.10	55.10	56.11
Community services	2.75	1.75	1.75	2.45	0.75	0.75	1.00	1.75	0.75	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
<b>Total governmental activities</b>	<u>1,533.18</u>	<u>1,521.20</u>	<u>1,507.39</u>	<u>1,480.36</u>	<u>1,442.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>	<u>1,530.81</u>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities</b>										
Instruction										
Regular and special										
Enrollment (Students)	15,321	15,079	14,890	14,722	14,674	14,705	15,025	14,833	14,622	14,558
Graduation rate (four years)	N/A	90.6%	90.5%	88.9%	90.3%	90.2%	92.1%	90.5%	93.3%	93.4%
Support services - pupil										
% of students going on to higher education	69.3%	75.0%	74.7%	76.0%	72.3%	78.0%	69.6%	70.0%	85.0%	85.0%
% of students with disabilities	13.4%	13.0%	12.8%	13.0%	13.3%	13.3%	13.6%	12.5%	11.7%	11.7%
% of limited English proficient students	8.9%	10.4%	10.2%	10.8%	10.4%	10.3%	8.2%	8.4%	8.8%	7.8%
School administration										
Student attendance rate	94.9%	94.6%	93.7%	95.3%	94.4%	94.7%	95.7%	95.8%	95.7%	95.9%
Fiscal										
Purchase orders processed	7,581	7,920	7,313	7,353	7,676	7,738	8,197	9,947	9,636	10,049
Nonpayroll checks issued	8,636	8,650	9,272	9,898	9,825	10,077	10,673	11,217	10,802	11,170
Business										
Facility rentals permits issued	377	369	368	367	401	387	370	416	378	332
Maintenance										
Maintenance work orders completed	9,132	9,497	7,557	7,225	7,776	7,293	7,102	7,686	7,315	7,057
District square footage maintained by custodians and maintenance staff	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	2,112,955
District acreage maintained by grounds staff	427	427	427	412	412	412	412	412	403	403
Transportation										
Avg. public and parochial students transported daily	10,947	9,992	9,194	9,100	9,064	8,863	8,785	11,293	10,325	10,640
Avg. daily bus stops	5,358	5,129	5,104	5,150	4,339	4,170	4,313	5,384	5,564	5,820
Central										
Information technology services work orders completed	12,000	12,000	11,800	11,164	8,545	8,435	8,916	6,610	6,418	6,072
Food service operations										
Breakfasts served to students	480,653	502,043	482,828	395,482	339,020	324,224	353,366	321,048	295,104	156,346
Lunches served to students	988,878	1,020,324	988,971	895,322	871,265	927,035	951,909	708,789	661,529	622,748
Extra-curricular activities										
High school varsity teams	61	60	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.

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

	2018	2017	2016	2015	2014
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$10,538,073	\$10,465,181	\$10,211,506	\$10,031,514	\$10,031,514
Buildings/improvements	207,702,243	206,573,744	203,294,319	197,503,930	197,343,161
Furniture/equipment	6,121,787	3,779,856	2,995,239	2,943,519	2,320,588
Vehicles	164,171	164,171	164,171	164,171	39,200
Special Instruction					
Land/improvements	3,114	3,114	3,114	3,114	3,114
Buildings/improvements	1,344,141	1,304,234	1,304,234	1,304,234	1,304,234
Furniture/equipment	209,564	204,209	198,667	189,622	203,941
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	-	-	-	-
Furniture/equipment	47,093	51,364	51,364	44,840	44,840
Instructional Support Staff					
Land/improvements	111,958	111,958	111,958	-	-
Furniture/equipment	106,937	106,937	106,937	70,486	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	1,343,706	1,325,177	1,325,177	1,325,177
Furniture/equipment	247,564	262,292	262,292	262,292	257,185
Fiscal Services					
Furniture/equipment	-	-	-	-	-
Business services					
Buildings/improvements	371,703	371,703	371,703	371,703	371,703
Furniture/equipment	14,686	14,686	10,886	44,793	44,793
Vehicles	160,024	208,792	208,792	208,792	208,792
Operation & maintenance					
Land/improvements	987,679	962,419	962,419	962,419	904,080
Buildings/improvements	9,430,268	9,363,636	9,363,636	9,331,631	4,976,260
Furniture/equipment	2,496,949	2,260,804	2,195,345	1,384,455	1,285,448
Vehicles	673,751	606,244	509,526	481,958	493,958
Student transportation					
Land/improvements	316,419	297,779	294,084	294,084	294,084
Buildings/improvements	1,557,298	1,539,898	1,522,948	1,525,600	1,522,948
Furniture/equipment	1,203,334	956,855	407,414	365,118	280,564
Buses	9,608,570	9,453,996	8,439,662	8,439,662	8,038,576
Central services					
Land/improvements	150,817	150,817	147,122	147,122	147,122
Buildings/improvements	3,443,255	3,443,255	3,443,255	3,443,255	3,443,255
Furniture/equipment	4,947,644	4,990,977	5,007,059	5,051,517	4,616,523
Food service operations					
Buildings/improvements	561,648	548,287	548,287	548,287	12,330
Furniture/equipment	1,438,078	1,496,932	1,436,241	1,323,980	1,193,712
Vehicles	97,321	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	358,411	315,193	219,848	202,053	141,235
Extra-curricular activities					
Land/improvements	3,577,399	3,555,549	3,366,770	3,366,770	3,366,770
Buildings/improvements	2,131,266	2,131,266	1,994,183	1,739,139	1,739,139
Furniture/equipment	642,432	612,920	615,822	621,281	607,289
<b>Total governmental activities capital assets</b>	<u>\$272,192,716</u>	<u>\$267,775,962</u>	<u>\$261,217,168</u>	<u>\$253,819,705</u>	<u>\$246,755,209</u>

	2013	2012	2011	2010	2009
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$10,031,514	\$10,019,143	\$9,704,221	\$9,690,088	\$9,690,088
Buildings/improvements	197,339,963	196,698,599	196,110,779	186,946,789	187,013,330
Furniture/equipment	2,279,518	2,161,555	2,060,243	2,278,700	2,293,383
Vehicles	39,200	19,500	19,500	5,100	5,100
Special Instruction					
Land/improvements	3,114	3,114	-	-	-
Buildings/improvements	1,304,234	1,304,234	1,300,260	-	-
Furniture/equipment	193,450	181,637	115,372	97,385	96,665
Vocational Instruction					
Buildings/improvements	-	-	-	110,873	110,873
Furniture/equipment	-	-	5,038	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	3,550
Buildings/improvements	312,235	312,235	312,235	312,235	312,235
Furniture/equipment	44,360	44,360	29,267	37,382	33,599
Instructional Support Staff					
Land/improvements	-	-	-	-	-
Furniture/equipment	66,400	66,400	66,400	66,400	87,534
General Administration					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	7,712	7,712	7,712	-	-
School Administration					
Buildings/improvements	1,325,177	1,325,177	1,286,547	-	-
Furniture/equipment	247,432	242,471	211,741	240,967	240,967
Fiscal Services					
Furniture/equipment	-	-	5,900	13,376	13,376
Business services					
Buildings/improvements	371,703	371,703	367,265	96,600	96,600
Furniture/equipment	72,165	60,433	33,907	33,907	33,907
Vehicles	175,698	138,498	101,065	101,065	101,065
Operation & maintenance					
Land/improvements	818,129	818,129	810,889	810,889	424,038
Buildings/improvements	3,412,115	3,412,115	3,406,849	3,354,284	3,344,317
Furniture/equipment	884,853	882,711	849,489	777,594	697,625
Vehicles	536,946	536,946	563,789	552,289	585,688
Student transportation					
Land/improvements	294,084	294,084	294,084	294,084	294,083
Buildings/improvements	1,522,948	1,522,948	1,537,948	34,648	34,648
Furniture/equipment	180,134	180,133	169,281	120,215	95,549
Buses	8,276,589	8,362,723	6,994,966	7,454,228	6,920,283
Central services					
Land/improvements	147,122				
Buildings/improvements	3,443,255	3,440,603	3,440,603	288,201	288,201
Furniture/equipment	4,266,972	3,959,165	2,781,666	1,980,122	1,856,664
Food service operations					
Buildings/improvements	12,330	12,330	-	-	-
Furniture/equipment	1,158,473	1,148,619	1,127,123	1,128,640	1,133,419
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	106,403	49,338	22,387	6,832	6,832
Extra-curricular activities					
Land/improvements	3,361,870	3,248,245	2,198,567	1,630,604	1,630,604
Buildings/improvements	1,213,357	1,213,357	1,213,357	542,483	542,483
Furniture/equipment	625,835	609,725	584,695	517,623	427,907
<b>Total governmental activities capital assets</b>	<b>\$244,149,088</b>	<b>\$242,721,740</b>	<b>\$237,806,943</b>	<b>\$219,602,439</b>	<b>\$218,489,899</b>



Westerville City School District  
School Building Information  
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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)	550	600	600	625	650	707	700	700	639	639
Enrollment	529	548	530	543	626	666	669	681	719	686
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	425	425	450	450	365	365
Enrollment	415	399	396	377	400	366	362	367	366	369
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	106	106
Enrollment	Closed	Closed	Closed	Closed	Closed	Closed	129	129	130	127
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	475	450	450	450	425	391	350	350
Enrollment	428	429	427	427	401	394	400	377	363	339
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	250	250	250	250	250	240	240
Enrollment	244	238	239	228	196	215	252	255	251	244
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)	675	675	675	675	675	700	700	700	639	639
Enrollment	644	656	630	694	698	712	698	722	686	670
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	275	350	425	450	407	382	226	226
Enrollment	259	258	285	251	209	375	353	352	340	327
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)	725	700	700	675	675	650	700	732	650	650
Enrollment	666	664	651	637	616	628	639	665	635	633
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	550	575	600	600	600	600	600	549	549
Enrollment	553	506	508	538	557	551	579	580	566	552
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	125	125	125	125	125	91	91
Enrollment	80	77	99	Closed	Closed	Closed	129	130	130	125
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	550	550	525	475	450	450	419	419
Enrollment	574	575	559	537	517	485	469	468	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)	525	525	500	525	525	475	475	539	418	429
Enrollment	545	536	494	497	506	494	451	501	469	478
Pointview Elementary (1973)										
Square feet	51,848	51,848	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893
Capacity (students)	375	375	300	375	350	357	382	357	319	319
Enrollment	335	348	291	297	284	276	278	306	314	317

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	525	475	525	525	525	539	460	460
Enrollment	445	420	445	423	470	477	469	492	435	436
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)	375	400	400	375	350	421	421	421	339	339
Enrollment	329	327	332	311	322	367	359	339	342	302
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	525	475	500	532	434	459
Enrollment	514	502	474	516	544	505	452	489	482	468
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	700	675	675	650	650	650	650	550	550
Enrollment	703	698	721	718	720	698	684	627	611	583
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)	950	985	975	1,000	975	975	988	975	970	993
Enrollment	875	886	909	917	944	982	1,025	1,052	997	976
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)	925	925	925	900	900	900	900	900	754	735
Enrollment	1,025	980	932	928	889	907	882	813	845	833
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	925	925	900	888	888	825	825	751	751
Enrollment	942	939	941	921	927	899	894	900	847	872
Westerville Central High School (2003)										
Square feet	291,000	291,000	291,000	291,000	291,000	291,000	326,102	326,102	326,102	326,102
Capacity (students)	1,787	1,787	1,765	1,743	1,743	1,743	1,677	1,677	1,683	1,705
Enrollment	1,896	1,863	1,733	1,690	1,654	1,579	1,653	1,575	1,559	1,552
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)	1,604	1,626	1,670	1,648	1,670	1,714	1,736	1,759	1,592	1,572
Enrollment	1,535	1,520	1,473	1,505	1,394	1,443	1,483	1,492	1,548	1,534
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	1,698	1,698	1,698	1,676	1,655	1,655	1,428	1,414
Enrollment	1,541	1,511	1,565	1,502	1,559	1,535	1,535	1,521	1,519	1,481
Early Learning Center										
Square feet	55,228	55,228	55,228	55,228	55,228	55,228	55,228	55,228	8,320	8,320
Enrollment	244	199	257	263	241	151	159	N/A	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	2,596	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	1,500	1,500
Transportation (1954)										
Square feet	15,713	15,713	15,713	15,713	15,713	15,713	15,713	15,713	8,400	8,400
Vine Street (1922)										
Square feet	Sold	Sold	Sold	3,502	3,502	3,502	3,502	3,502	3,502	3,502

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

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>3rd Grade Achievement Tests:</b>										
Reading	86%	86%	90%	88%	91%	92%	88%	N/A	N/A	N/A
Math	88%	84%	92%	90%	89%	89%	80%	77%	81%	74%
<b>4th Grade Proficiency/Achievement Tests:</b>										
Writing	90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	89%	87%	91%	92%	94%	92%	76%	N/A	N/A	N/A
Mathematics	88%	86%	85%	91%	88%	85%	75%	77%	80%	79%
<b>5th Grade Achievement Tests</b>										
Reading	86%	85%	83%	88%	89%	82%	85%	N/A	N/A	N/A
Mathematics	75%	80%	79%	82%	86%	78%	76%	74%	69%	69%
Science	82%	82%	82%	82%	81%	78%	75%	77%	76%	75%
Social Studies	77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>6th Grade Proficiency/Achievement Tests:</b>										
Reading	86%	91%	91%	90%	89%	91%	86%	N/A	N/A	N/A
Mathematics	82%	84%	85%	86%	85%	90%	73%	60%	66%	64%
<b>7th Grade Achievement Tests:</b>										
Reading	86%	86%	84%	87%	88%	92%	74%	N/A	N/A	N/A
Mathematics	86%	81%	87%	85%	86%	85%	78%	66%	69%	68%
Writing	85%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>8th Grade Achievement Tests:</b>										
Reading	83%	88%	90%	91%	92%	92%	84%	N/A	N/A	N/A
Mathematics	84%	83%	82%	89%	87%	89%	75%	64%	71%	67%
Science	71%	75%	77%	84%	80%	80%	82%	76%	73%	75%
Social Studies	65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>10th Grade Ohio Graduation Test:</b>										
Writing	95%	92%	94%	93%	91%	93%	93%	N/A	N/A	N/A
Reading	91%	92%	93%	93%	93%	96%	93%	N/A	N/A	N/A
Mathematics	90%	91%	92%	91%	91%	90%	90%	N/A	N/A	N/A
Social Studies	90%	93%	91%	91%	90%	90%	91%	N/A	N/A	N/A
Science	85%	83%	85%	87%	87%	88%	86%	N/A	N/A	N/A
<b>11th Grade Ohio Graduation Test:</b>										
Writing	N/A	N/A	N/A	97%	96%	96%	97%	96%	N/A	N/A
Reading	N/A	N/A	N/A	97%	97%	97%	98%	97%	N/A	N/A
Mathematics	N/A	N/A	N/A	96%	95%	95%	96%	95%	N/A	N/A
Social Studies	N/A	N/A	N/A	95%	95%	95%	96%	96%	N/A	N/A
Science	N/A	N/A	N/A	93%	93%	92%	94%	92%	N/A	N/A

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

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>ACT Scores (Averages)</b>										
Westerville	22.4	23.0	22.1	22.5	23.0	22.5	22.9	22.8	22.8	21.2
National	21.1	21.0	21.1	21.1	20.9	21.0	21.0	20.8	21.0	21.0
<b>SAT Scores (Averages)</b>										
Westerville	525	541	564	546	557	567	544	558	591	592
Verbal - Critical Reading	551	531	557	553	574	576	558	570	591	599
National	499	500	497	496	496	497	495	494	533	536
Verbal - Critical Reading	514	515	514	514	514	513	511	508	527	531
Mathematics										
National Merit Scholars (Percent of Senior Class)	1.86	0.94	1.49	1.54	1.98	1.07	1.36	0.87	1.40	0.8
<b>ODE Per Pupil Costs</b>										
Westerville	\$10,426	\$10,067	\$10,891	\$10,720	\$9,670	\$8,438	\$8,837	\$8,844	\$9,021	\$8,998
State Avg.	\$10,184	\$10,512	\$10,571	\$10,507	\$10,149	\$9,189	\$9,228	\$8,711	\$9,150	\$9,356
<b>Cost to Educate Graduate</b>										
Westerville	\$103,435	\$107,813	\$112,369	\$116,570	\$119,345	\$120,383	\$121,524	\$122,297	\$122,988	\$123,630
State Avg.	\$106,848	\$111,421	\$115,760	\$119,625	\$122,717	\$124,304	\$125,459	\$125,735	\$126,110	\$126,438
Average Teacher Salary	\$63,995	\$65,679	\$60,681	\$61,194	\$59,612	\$63,580	\$62,790	\$64,921	\$65,799	\$67,666
<b>Teacher Experience</b>										
% of Teachers with 0-4 Years	14.7	18.7	16.7	24.4	23.04	25.46	26.11	29.76	25.68	32.00
% of Teachers with 5-9 Years	19.6	20.6	24.6	19.9	20.74	19.50	17.60	16.87	19.59	19.00
% of Teachers with 10+ Years	65.7	60.7	58.7	55.7	56.21	55.04	56.18	53.18	54.64	49.00
<b>Percentage of Teachers with a Master's Degree or Higher</b>										
	72.0	71.7	71.0	74.2	66.60	62.80	62.76	72.09	73.94	69.00
<b>Percentage of Students on Free/Reduced Lunch</b>										
	25.2	26.4	28.3	30.7	32.20	33.50	35.50	33.80	34.40	35.40

Source: School District Student Records and Ohio Department of Education

N/A = Not Available

**Westerville City School District**

**Westerville, Ohio**



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