

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT**  
**FRANKLIN COUNTY**  
**SINGLE AUDIT**  
**JULY 1, 2012 - JUNE 30, 2013**







# Dave Yost • Auditor of State

Board of Education  
Canal Winchester Local School District  
100 Washington Street  
Canal Winchester, Ohio 43055

We have reviewed the *Independent Auditor's Report* of the Canal Winchester Local School District, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 27, 2014

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY**

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CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
National School Breakfast Program	N/A	10.553	\$ 98,985	\$ -	\$ 98,985	\$ -
National School Lunch Program	N/A	10.555	432,288	74,044	432,288	74,044
<b>Total U.S. Department of Agriculture</b>			<u>531,273</u>	<u>74,044</u>	<u>531,273</u>	<u>74,044</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	N/A	84.010	500,679	-	511,610	-
Special Education Cluster:						
Special Education Grants to States	N/A	84.027	607,923	-	543,165	-
Special Education Preschool Grants	N/A	84.173	3,009	-	3,009	-
<b>Total Special Education Cluster</b>			<u>610,932</u>	<u>-</u>	<u>546,174</u>	<u>-</u>
English Language Acquisition Grants	N/A	84.365	11,069	-	11,537	-
Improving Teacher Quality State Grants	N/A	84.367	44,735	-	44,143	-
ARRA - State Fiscal Stabilization Fund— Race-to-the-Top						
Incentive Grants, Recovery Act	N/A	84.395	43,838	-	51,231	-
Education Jobs Fund	N/A	84.410	107,661	-	101,805	-
<b>Total U.S. Department of Education</b>			<u>818,235</u>	<u>-</u>	<u>754,890</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
<i>Passed Through Ohio Department of Public Safety:</i>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	49-UPJGO	97.036	750	-	750	-
<b>Total U.S. Department of Homeland Security</b>			<u>750</u>	<u>-</u>	<u>750</u>	<u>-</u>
<b>Total Federal Awards</b>			<u><u>\$ 1,850,937</u></u>	<u><u>\$ 74,044</u></u>	<u><u>\$ 1,798,523</u></u>	<u><u>\$ 74,044</u></u>

The accompanying notes are an integral part of this schedule.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



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

Board of Education  
Canal Winchester Local School District  
100 Washington Street  
Canal Winchester, Ohio 43055

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canal Winchester Local School District, Franklin County, (the District) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2013 wherein we noted the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* and also restated net position as disclosed in Note 3A.

***Internal Control Over Financial Reporting***

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

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

*Wilson, Shannon & Snow, Inc.*

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Canal Winchester Local School District  
Franklin County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required By *Government Auditing Standards*  
Page 2

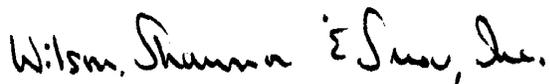
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



December 15, 2013  
Newark, Ohio



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
SCHEDULE REQUIRED BY OMB CIRCULAR A-133**

Board of Education  
Canal Winchester Local School District  
100 Washington Street  
Canal Winchester, Ohio 43055

***Report on Compliance for Each Major Federal Program***

We have audited the Canal Winchester Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Canal Winchester Local School District's major federal program for the fiscal year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

*Wilson, Shannon & Snow, Inc.*

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***Opinion on the Major Federal Program***

In our opinion, the Canal Winchester Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2013.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Federal Awards Receipts and Expenditures Schedule Required by OMB Circular A-133***

We have also audited the basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Canal Winchester Local School District, Franklin County (the District) as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 15, 2013 wherein we noted the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* and restated net position as disclosed in Note 3A. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Wilson, Shuman & Snow, Inc.*

December 15, 2013  
Newark, Ohio

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505**

**JUNE 30, 2013**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for each major federal program?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in its internal control for each major federal program?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Title I \ CFDA #84.010
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 §.505***

**JUNE 30, 2013**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



## INDEPENDENT AUDITOR'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Education  
Canal Winchester Local School District  
100 Washington Street  
Canal Winchester, Ohio 43055

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether the Canal Winchester Local School District, Franklin County (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the District amended its anti-harassment policy at its meeting on May 21, 2012 to include prohibiting harassment, intimidation, or bullying of any student “on a school bus” or by an “electronic act”.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

*Wilson, Shannon & Snow, Inc.*

December 15, 2013  
Newark, Ohio

*Wilson, Shannon & Snow, Inc.*

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# Canal Winchester

LOCAL SCHOOLS

Canal Winchester, Ohio



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by  
**Joyce A. Boyer, Treasurer**



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

OF THE

**CANAL WINCHESTER LOCAL  
SCHOOL DISTRICT**

FOR THE

**FISCAL YEAR ENDED JUNE 30, 2013**

**PREPARED BY  
TREASURER'S DEPARTMENT  
JOYCE BOYER, TREASURER**

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## INTRODUCTORY SECTION

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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December 15, 2013

*To the Board of Education and the Citizens of the Canal Winchester Local School District:*

As the Treasurer of the Canal Winchester Local School District (the “District”), I am pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. The CAFR for the fiscal year ended June 30, 2013 is prepared 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 (GFOA).

The Office of the Treasurer is responsible for the accuracy of the data presented and the completeness and fairness of this presentation. We believe the data presented is accurate in all material aspects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the District’s financial activity are included herein.

The basic financial statements of the District for the fiscal year ended June 30, 2013, were audited by Wilson, Shannon, & Snow, Inc. whose opinion thereon is included at the beginning of the Financial Section of this report.

In addition to the financial audit a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”. The single audit report is not included in the CAFR.

This transmittal letter is designed to provide historical information about the District, as well as complement the required Management’s Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A).

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

#### PROFILE OF THE DISTRICT

The District originated in the early 1800’s, built its first building in 1862, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is in a suburb of Columbus, the state capital, and operates one high school, one middle school, and two elementary schools as of June 30, 2013. The District enrolled approximately 3,668 students during the 2012-13 school year.

The District provides a wide variety of educational and support services as mandated by State statute or public desires. These include general education programs which focus on college and career readiness, specific vocational/career instruction, special instructional programs for students with disabilities, special instructional programs for gifted students, special instructional programs for English Language Learners, student guidance and health services, as well as extracurricular activities. The District has a reputation of academic excellence as measured by student academic results on state-mandated assessments.

An elected five-member Board of Education serves as the taxing authority and policy maker for the District. The Board adopts the annual operating budget, tax budget, and approves all expenditures of District tax monies.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Treasurer is the chief financial officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as permitted by Ohio law. Other officials, reporting to the Superintendent, include the Assistant Superintendent, Curriculum Director, Coordinator of Student Activities, Director of Special Education, Technology Coordinator, Director of Assessment and Data, and the building principals.

#### Internal Control:

In developing and revising the District's accounting and internal control system, consideration is given to the adequacy of internal controls to provide reasonable but not absolute assurance regarding:

1. Safeguarding of assets against loss from unauthorized use or disposition; and
2. Keeping reliable financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived; and
2. The evaluation of costs and benefits required estimates and judgments by management.

Management believes that the internal controls adequately meet the above objectives.

#### Budgetary Controls:

In addition to the internal controls mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds (except agency) are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. A complete description of the District's budgetary process can be found in Note 2.E. to the basic financial statements.

#### Instructional Organization:

The District provides a wide variety of educational and support services as mandated by State statute or public desires. These include general education programs which focus on college and career readiness, specific vocational/career instruction, special instructional programs for students with disabilities, special instructional programs for gifted students, special instructional programs for English Language Learners, student guidance and health services, as well as extracurricular activities. The District has a reputation of academic excellence as measured by student academic results on state-mandated assessments.

While rapid growth in student population over the past decade presented many challenges such as providing student housing, maintaining appropriate class sizes, and assuring the horizontal and vertical articulation of instruction, this growth provided the District with opportunities to build new facilities for our learners, to hire additional staff to support student needs and to work closely with our community to define services appropriate for our taxpayer wallet and student and family desires.

Over the years, our community has supported the District's need for new school facilities. November 1990 marked the beginning of our new construction projects which produced new schools for our students. This successful bond issue built phase II of the high school which included an academic wing, library/media center, office and cafeteria. Together with the first phase of the high school, the capacity for students equaled 750.

Again in November of 1997, district residents approved a bond issue which built Indian Trail Elementary School, a district K-2 building with the capacity to serve 825 students. This building featured a state-of-the art library/media center which is predominantly placed in the building, two gymnasiums, a cafetorium and 42 classrooms.

In March of 2000, district residents approved a bond issue that funded a significant renovation to the district's then historic Middle School, phase III of the high school, a stand-alone gymnasium, and another elementary school – Winchester Trail Elementary. These construction projects increased our high school capacity to 1025 and created a mirror image school of Indian Trail in Winchester Trail to house up to 525 students in grades 3-4. Additionally, this bond allowed new residents to immediately pay at the same bond millage as current residents. This no new tax approach was available to only fewer than 10% of the highest growing districts in Ohio.

In November of 2004, the District passed another bond issue. This issue qualified the district for \$30 million in state matching future funds from the Ohio School Facilities Commission and its passage built a new Middle School which houses grades 6, 7 and 8 and added a new wing to Winchester Trail Elementary School which serves students grades 3-5. Because of the passage of the levy, the district was able to reconfigure grade levels and close the 5-6 Intermediate School. Unique to this bond issue was the fact that the school district and then Village of Canal Winchester, shared costs because the school was built next to a village recreational park.

Our district facilities support wireless communication, broad band internet, a strong arts program, solid "core" academic programs, vital latchkey partnerships with area churches and a very strong partnership with the Canal Winchester Recreation Organization.

While our school district enjoys a reputation of being a caring and academically sound district, we continue to expand our efforts to identify more ways to meet the needs of students. Included in these efforts have been the Success after school program in grades 3-5, Ready Set Read after school program in grades 1-2, an after school Middle School program for at risk-students, and a strengthened standards-based gifted program.

### STUDENT ACHIEVEMENT

Scholastic Performance: For the 2012-2013 school year, each district and school building will be graded A-F in nine different areas, with NO overall grade until August 2015. The Canal Winchester students performed well, earning a grade of A in: Indicators Met (24/26), Overall Value Added, and 5 year graduation rate (99.1%). We earned a grade of B in: Performance Index (100.3) The High School earned the highest Performance Index ever at 105.7, and 4 year Graduation rate (91.3%). We also meet expected growth in Gifted and Lowest 20% in Achievement Progress. With that said, there were a few areas of needed improvement. We earned a grade of D in: Annual Measurable Objectives (AMO) and Student with Disabilities Progress.

## MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Data Analysis: The District Leadership Team, Building Leadership Teams and Teacher Based Teams analyze value-added and achievement results with all teachers. Data from Ohio Achievement Tests (administered to grades levels 3-8) and the Ohio Graduation Tests are analyzed by grade level, content area, and subgroups including standard, response type and item analysis. All of our teachers have received training on using data to inform instructional decisions in the classroom and now work together to determine the details of next instructional steps to move students at least one year of growth. Additionally, intervention, substantive practice and enrichment are planned for students based on data analysis. Teachers are also analyzing pre-assessment data to develop Student Learning Objectives (SLO) to use as part of the new teacher evaluation system.

Professional Development: Job-embedded professional development is provided to all teaching staff during data team meetings, two district-wide professional development days and state-granted waiver days. Professional development revolves around identified teacher needs which are surveyed and prioritized annually. Our professional learning foci are as follows: improving instructional strategies to meet the needs of all students by delivering instruction that is high in rigor and relevant to their needs, and providing learning opportunities in the area of technology integration across all disciplines.

Gifted & Talented Programs: In-house programs for gifted and talented students are provided at Winchester Trail Elementary School (grades 4-5) using inclusion, differentiation, and/or compacted in mathematics and English language arts curriculum in grades four and five. Two gifted intervention specialist staff the elementary building, providing an opportunity for these teachers to act as a gifted resource to all classroom teachers. Acceleration/enrichment courses for advanced students are provided for students at the middle school and high school.

ELL Program: Students in grades K-12 with Limited English Proficiency are provided intervention programs through the Districts' ELL (English Language Learners) teachers. The proficiency of English language is assessed annually through state mandated testing.

Foreign Languages: Eighth (8<sup>th</sup>) grade students are able to enroll in an elective study of Spanish to complete a first year high school credit. Spanish and French are offered at the high school. The inclusion of high school credit foreign language courses in eighth grade, permits students an opportunity to enroll in a fifth year of foreign language as seniors if they begin their foreign language studies at the junior high level.

High School Credit as an Option for Eighth Grade Students: Eighth grade students have the option of earning High School credits for Algebra 1, Spanish 1, Choir, and Band.

Arts Instruction: Visual and performing arts are a source of pride in the Canal Winchester Schools. Music and visual arts teachers provide instruction to students K-12. Every building in the district provides art, music, physical education teachers, and media and technology integration specialists. In grades K-6, the visual and performing arts are rotated into the weekly schedule, while middle school students in grades 7 and 8 receive art instruction on a semester rotation. Library/media and technology integration are integrated into the student's courses. Beginning in grades 7 and 8, students have the opportunity to enroll in instrumental music and vocal music as an elective. Students enroll in visual, vocal and instrumental music and performing arts programs at the high school level based on their interests and graduation requirement needs.

Integrated Technology Instruction: The District recognizes that technology has become an integral part of education. In addition, technology is a tool to facilitate the 21<sup>st</sup> Century skills for college and career readiness for all students. A comprehensive district plan embeds technology use into communication, instruction, intervention, data reporting and data analysis. Likewise, the District created a Help Desk making technical services and request for and from teachers more efficient.

The District continues to improve communications with parents by providing to students and parents on-line access to student's grades. Because of the web-based nature of this tool, teachers are also able to post class assignments, recorded lessons and class notes as well. Parents are invited to sign up for the district level and building level email blasts which communicate important district or building level news or event reminders. Lastly, the district purchased an emergency notification system to inform parents in a timely fashion of school emergencies or calamity days.

#### Summer Intervention

Summer intervention is provided to students who are not considered 'proficient' in reading during elementary school as determined by teacher recommendations for early learners and by the Ohio Achievement Assessment for students in grade 2. Summer intervention is also provided to students who are not considered 'proficient' in math during elementary school as determined by teacher recommendations for early learners and by the Ohio Achievement Assessment for students in grades 3-5. Summer intervention is available for high school students in all content areas in preparation for re-taking the Ohio Graduation Test. Intervention is provided for students in grades 1-5 during the regular school day through content specific and tiered instruction as well as after school reading and math programs.

#### Comprehensive Continuous Improvement Plan:

The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District including: Improving Student Achievement and providing high quality professional development to our teaching staff. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title I (School Improvement), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), and Part B-IDEA (Special Education). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2012.

Grants Programs: Our District is receiving federal funds by participating in the Race to the Top initiative; this money is connected to professional development opportunities related to the implementation of revised content standards.

Special Education: The District's Special Education Programs provide a full continuum of services from Preschool through 12th grade based on the individual needs of its approximate 448 students on Individualized Education Programs (IEPs). Services are provided in all four buildings as well as in programs outside of the district. These services range from inclusion support to homebound/hospitalization services. Specialized, low-incidence classrooms include those for students with multiple disabilities, emotional disturbance, and autism, although categories of eligibility do not dictate placement in these classrooms. The District supports students in these rooms through smaller class sizes (based on state requirements), intensive related services support, and paraprofessionals. Canal Winchester currently has 6 low-incidence classrooms. In addition, some of our buildings also have cross-categorical classrooms that serve as a resource rooms for students. Students in these classrooms receive a range of services from content area instruction to general education support in terms of classroom teacher consultation. The District also offers inclusion support in all buildings. Intervention Specialists support and co-teach with general education teachers in the general education setting without pulling IEP students from the classroom. Canal Winchester has 23 teachers providing cross-categorical resource room services or inclusion support in the general classroom.

Canal Winchester's Special Education program is supported by a well-experienced related services staff consisting of 3 school psychologists, 4 speech therapists, .5 adaptive physical education teacher, 1 physical therapist, 1.5 occupational therapists, and 1 behavior specialist. Some of these services and additional services are contracted with other agencies as well. All of these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by one special education administrator who oversees all the programs at the district level. Three district representatives also help cover meetings and oversee caseloads and department compliance. One special education secretary maintains special education records and enters critical information into the Education Management Information System (EMIS).

## ECONOMIC CONDITION AND OUTLOOK

The majority of the School District is located in Franklin County, with the remainder situated in Fairfield County. The District covers approximately 32 square miles in and around the City of Canal Winchester. Located approximately 15 miles southeast of downtown Columbus, Ohio, the District is largely rural/suburban in character and is considered a growing, middle-class suburb of Columbus. The Columbus area has maintained a strong economic climate, even during periods of recession. This is due to the fact that Columbus is the State capitol, and is national headquarters for many corporations and insurance companies. There are also a number of universities in the area which contribute to a stable local economy. This stability has contributed to the growth of the District.

In 1990, the community approved a school district income tax. It is anticipated that the income tax will continue to provide a better source of funding than the traditional property tax, because of its ability to grow as the District grows.

As can be seen in the financial statements, voters have routinely supported the District in its efforts to keep pace with increased student population. However due to state and local revenue losses and increasing costs, the District implemented substantial budget reductions for fiscal year 2012.

In December 2012, the Board reached a two-year agreement with the Canal Winchester Education Association, which enabled the District to operate for the 2013-14 and 2014-15 school year with a 1% increase in the salary schedule each year. In June 2013, the Board reached a two-year agreement with the Ohio Association of Public School Employees to operate for the 2013-14 and 2014-15 school year with a 1% increase in the salary schedule each year.

On November 8, 2011, District voters approved a renewal of the emergency levy with a reduction in the total to be collected. The levy commences in tax year 2011 with collections beginning January 2012. This levy generates \$5.83 million per year for calendar year 2012, 2013 and 2014. The levy proceeds are used for current operating expenses. The District's leadership believes that the recent budget reductions and the 1% increase for all staff, in combination with the passage of the November 2011 levy, will provide much-improved financial stability for the District throughout the length of the levy.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. This category of "set-asides" or reserve is pertinent to the District: the capital acquisition set-aside. The set-asides for the capital acquisition are required by State statute. For fiscal year 2013, the District had offsets and qualifying disbursements, which well exceeded the required set-asides. Given the District's current and anticipated expenditure patterns and levels, the board expects to exceed these requirements for the foreseeable future.

## **AWARDS AND ACKNOWLEDGEMENTS**

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. As such, the CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

*Acknowledgments*

The preparation of the CAFR was made possible by the diligence of the Treasurer's staff and the support of the Board of Education. Special thanks go to the Superintendent of the District for his input and assistance in this project. In the financial area, as in the instructional area, the goal of excellence is always with us.

Respectfully submitted,

A handwritten signature in blue ink that reads "Joyce A. Boyer". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Joyce A. Boyer

Treasurer

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**PRINCIPAL OFFICIALS  
JUNE 30, 2013**

**BOARD OF EDUCATION**

Brian J. Niceswanger	President
Robert Toledo, Jr.	Vice-President
Matthew S. Krueger	Member
Debra M. Waites	Member
Michael A. Yonnotti	Member

**SUPERINTENDENT**

James Sotlar

**TREASURER**

Joyce A. Boyer

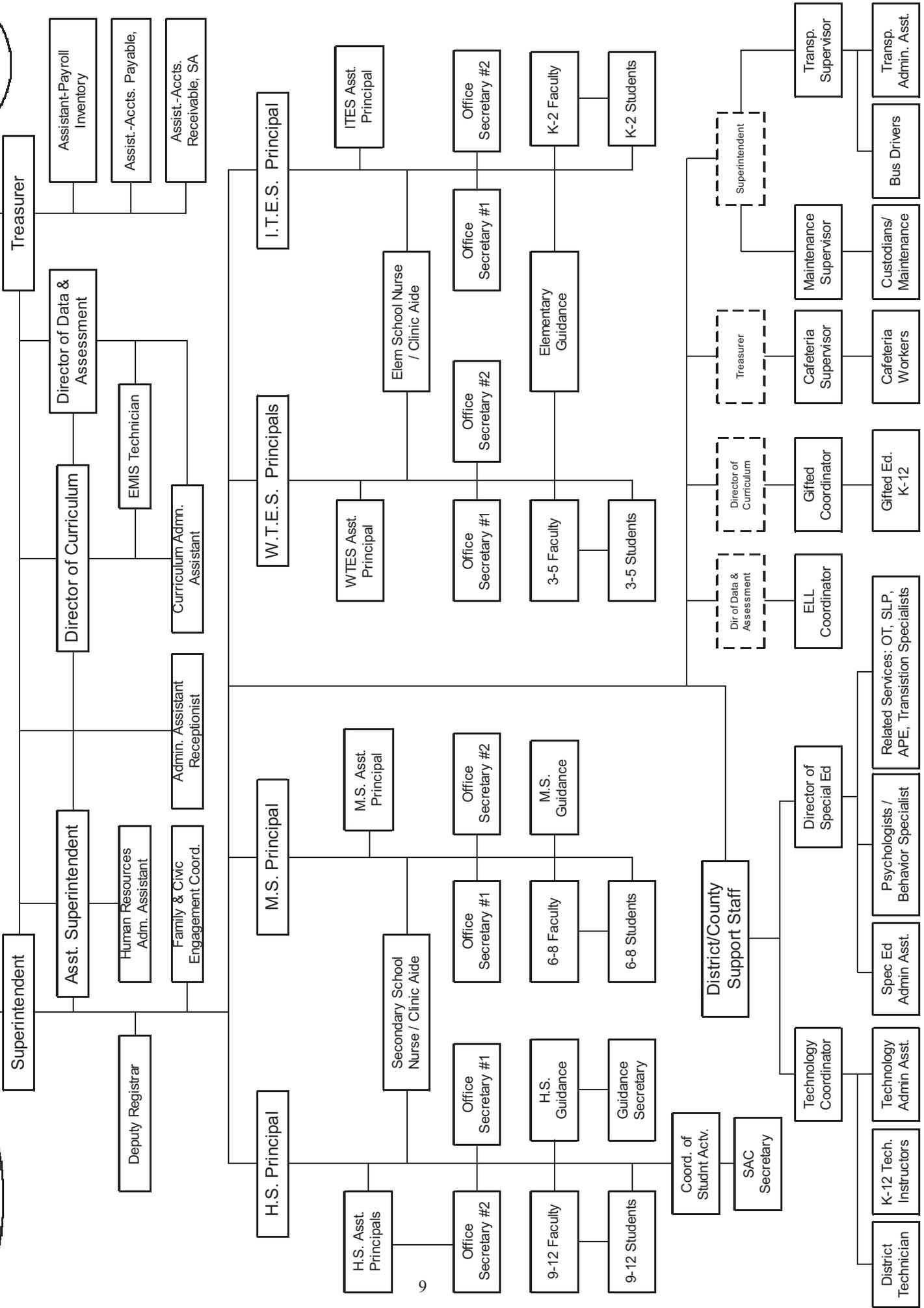
**ADMINISTRATIVE STAFF**

Barbara J. Harrison	Assistant Superintendent
Kirk Henderson	High School Principal
Greg Lahr	Assistant High School Principal
Tracie Lees	Assistant High School Principal
Cassandra Miller	Middle School Principal
Daniel Senu-Oke	Assistant Middle School Principal
Cynthia Toledo	Winchester Trail Elementary Principal
Kelly Zywczyk	Assistant Principal at Winchester Trail Elementary
Jamie King	Indian Trail Elementary Principal
Asia Armstrong	Assistant Principal at Indian Trail Elementary
Janine Taylor	Curriculum Director
William Whitlatch	Data/Research Administrator
David Dewese	Technology Coordinator
Kent Riggs	Coordinator of Student Activities
Roger McLoney	Facility Supervisor
Beverly Hockman	Transportation Coordinator

2012-2013  
School Year

Canal Winchester Board of Education

Canal Winchester Schools  
Organizational Chart



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## FINANCIAL SECTION

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Board of Education  
Canal Winchester Local School District  
100 Washington Street  
Canal Winchester, Ohio 43055

## INDEPENDENT AUDITOR'S REPORT

### *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 Canal Winchester Local School District, Franklin County, Ohio (the District), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no 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.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

***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 Canal Winchester Local School District, Franklin County, Ohio, as of June 30, 2013, 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 3A to the financial statements, during the fiscal year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* and also restated net position. 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* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

***Supplementary and Other Information***

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

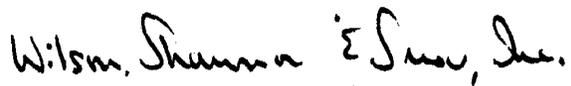
The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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 15, 2013 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



December 15, 2013  
Newark, Ohio

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The management's discussion and analysis of Canal Winchester Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- The District restated net position as described in Note 3.A. Net position of governmental activities increased \$3,164,180, which represents a 15.17 percent increase from 2012.
- General revenues accounted for \$37,616,081 in revenue or 87.57 percent of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,340,123 or 12.43 percent of total governmental activities revenues of \$42,956,204.
- The District had \$39,792,024 in expenses related to governmental activities, \$5,340,123 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$37,616,081 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and debt service fund. The general fund had \$35,597,236 in revenues and other financing sources and \$33,291,872 in expenditures and other financing uses. The fund balance of the general fund increased \$2,305,364 from a balance of \$9,791,564 to \$12,096,928.
- The debt service fund had \$10,568,446 in revenues and other financing sources and \$10,392,501 in expenditures and other financing uses. The fund balance of the debt service fund increased \$175,945 from \$2,693,294 to \$2,869,239.

**Using the Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 most significant funds with all other nonmajor funds presented in total in one column. The District has two major governmental funds: the general fund and debt service fund. The general fund is by far the most significant fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

**Reporting the District as a Whole**

*Statement of Net position and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The statement of net position and statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take 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 changes in that 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 causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, food service operations and extracurricular activities.

The District's statement of net position and statement of activities can be found on pages 26-27 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 21. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

*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 left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 28-35 of this report.

*Proprietary Fund*

The District maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund activity accounts for self-insurance of the District's medical, dental and prescription drug benefits. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page 39. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 41-81 of this report.

**The District as a Whole**

The District restated net position as described in Note 3.A. The table below provides a summary of the District's net position for fiscal years 2013 and 2012. Certain 2012 items have also been reclassified per the implementation of GASB Statement No. 63 and GASB Statement No. 65.

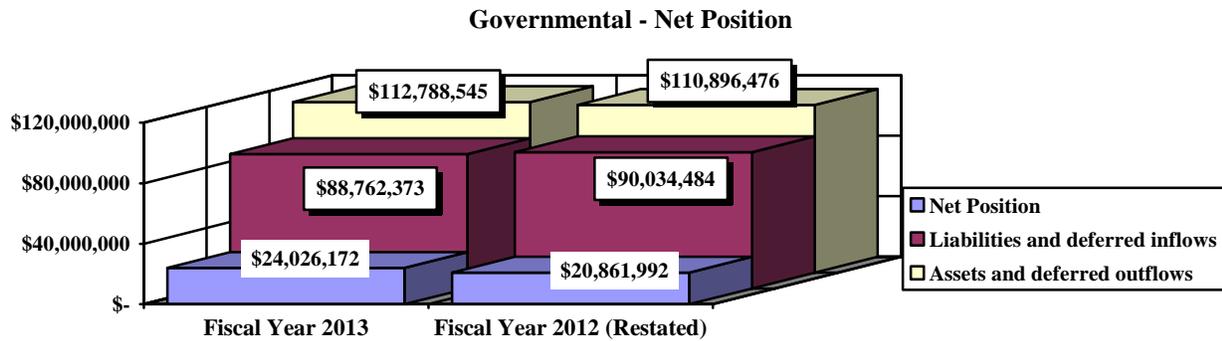
**Net Position**

	Governmental Activities	
	2013	Restated 2012
<b><u>Assets</u></b>		
Current assets	\$ 40,456,286	\$ 38,650,742
Capital assets, net	71,009,334	70,676,648
Total assets	111,465,620	109,327,390
<b><u>Deferred outflows of resources</u></b>	1,322,925	1,569,086
<b><u>Liabilities</u></b>		
Current liabilities	4,382,734	4,611,118
Long-term liabilities	69,801,819	71,110,284
Total liabilities	74,184,553	75,721,402
<b><u>Deferred inflows of resources</u></b>	14,577,820	14,313,082
<b><u>Net Position</u></b>		
Net investment in capital assets	7,861,374	6,648,924
Restricted	1,999,758	4,488,963
Unrestricted	14,165,040	9,724,105
Total net position	\$ 24,026,172	\$ 20,861,992

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The graph below presents the District's governmental assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position for fiscal years 2013 and 2012. The 2012 amounts have been restated as described in Note 3.A. and the implementation of GASB Statements No. 63 and No. 65.



The table below shows the changes in net position for fiscal years 2013 and 2012. The net position at 2012 has been restated as described in Note 3.A.

**Change in Net Position**

	Governmental Activities	
	2013	2012
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 1,780,622	\$ 1,810,741
Operating grants and contributions	3,559,501	3,338,814
General revenues:		
Property taxes	18,400,124	18,390,879
Income taxes	3,636,920	3,179,827
Payments in lieu of taxes	248,668	244,242
Grants and entitlements	14,452,698	14,332,282
Investment earnings	37,645	34,728
Win-win settlement	641,170	-
Miscellaneous	198,856	103,394
<b>Total revenues</b>	<b>42,956,204</b>	<b>41,434,907</b>

In the area of program revenues, the increase was in operating grants and contributions which increased \$220,687. This increase is attributable primarily to federal stimulus money that was available in 2013, such as Education Jobs, that was not available in 2012.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, payments in lieu of taxes and unrestricted grants and entitlements. These revenue sources represent 85.53 percent of total governmental revenue. Real estate property is reappraised every six years.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

	Governmental Activities	
	2013	2012
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 16,024,742	\$ 15,637,136
Special	3,801,713	3,710,163
Vocational	403,755	413,484
Other	401,132	312,101
Support services:		
Pupil	1,880,776	1,910,469
Instructional staff	1,135,974	1,280,192
Board of education	253,599	150,839
Administration	2,887,717	2,768,846
Fiscal	921,473	907,327
Business	9,244	-
Operations and maintenance	3,614,353	4,033,281
Pupil transportation	2,499,073	2,593,268
Central	417,836	263,107
Operation of non-instructional services	366,315	216,305
Food service	1,216,080	1,185,011
Extracurricular activities	895,645	895,730
Interest and fiscal charges	2,938,706	3,108,519
Bond issuance costs	123,891	-
Total expenses	39,792,024	39,385,778
Changes in net assets	3,164,180	2,049,129
Net assets at beginning of year (restated)	20,861,992	18,812,863
Net assets at end of year	\$ 24,026,172	\$ 20,861,992

**Governmental Activities**

Net position of the District's governmental activities increased \$3,164,180. Total governmental expenses of \$39,792,024 were offset by program revenues of \$5,340,123 and general revenues of \$37,616,081. Program revenues supported 13.42 percent of the total governmental expenses.

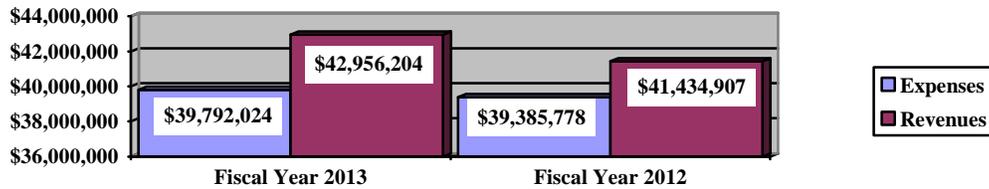
The largest expense of the District is for instructional programs. Instruction expenses totaled \$20,631,342 or 51.85 percent of total governmental expenses for fiscal year 2013.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2013 and 2012.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2013 and 2012. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

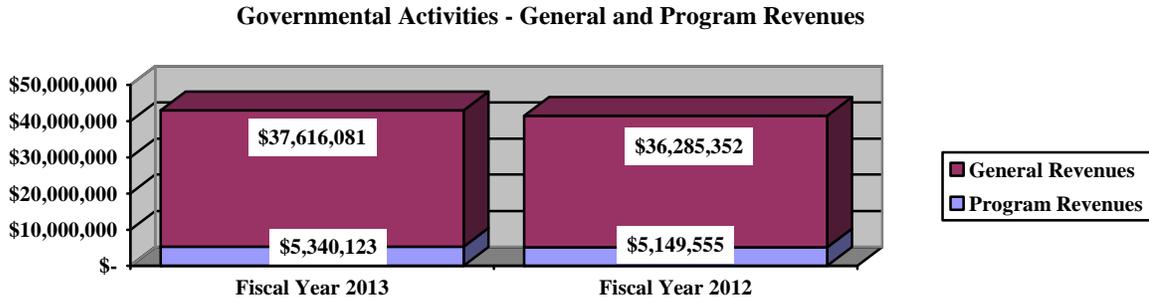
	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>
Program expenses:				
Instruction:				
Regular	\$ 16,024,742	\$ 15,396,000	\$ 15,637,136	\$ 15,086,991
Special	3,801,713	2,178,100	3,710,163	2,100,019
Vocational	403,755	217,454	413,484	227,183
Other	401,132	130,658	312,101	152,094
Support services:				
Pupil	1,880,776	1,705,621	1,910,469	1,771,321
Instructional staff	1,135,974	870,790	1,280,192	1,028,676
Board of Education	253,599	253,599	150,839	150,839
Administration	2,887,717	2,793,607	2,768,846	2,566,151
Fiscal	921,473	897,309	907,327	907,327
Business	9,244	9,244	-	-
Operations and maintenance	3,614,353	3,520,844	4,033,281	3,952,297
Pupil transportation	2,499,073	2,427,869	2,593,268	2,537,734
Central	417,836	410,636	263,107	255,907
Operation of non-instructional services	366,315	366,315	216,305	216,305
Food service operation	1,216,080	(43,730)	1,185,011	(46,858)
Extracurricular activities	895,645	254,988	895,730	221,718
Interest and fiscal charges	2,938,706	2,938,706	3,108,519	3,108,519
Bond issuance costs	123,891	123,891	-	-
<b>Total expenses</b>	<b><u>\$ 39,792,024</u></b>	<b><u>\$ 34,451,901</u></b>	<b><u>\$ 39,385,778</u></b>	<b><u>\$ 34,236,223</u></b>

The dependence upon tax revenues during fiscal year 2013 for governmental activities is apparent, as 86.87 percent of 2013 instructional activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State, are by far the primary support for District's students.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal years 2013 and 2012.



**The District's Governmental Funds**

The District's governmental funds (as presented on the balance sheet on pages 28-29) reported a combined fund balance of \$16,741,802, which is above last year's total of \$15,163,017. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2013 and 2012.

	Fund Balance <u>June 30, 2013</u>	Fund Balance <u>June 30, 2012</u>	Increase <u>(decrease)</u>
General	\$ 12,096,928	\$ 9,791,564	\$ 2,305,364
Debt Service	2,869,239	2,693,294	175,945
Other Governmental	<u>1,775,635</u>	<u>2,678,159</u>	<u>(902,524)</u>
Total	<u>\$ 16,741,802</u>	<u>\$ 15,163,017</u>	<u>\$ 1,578,785</u>

**General Fund**

The District's general fund balance increased \$2,305,364 during 2013. The following table assists in illustrating the revenues of the general fund.

	2013 <u>Amount</u>	2012 <u>Amount</u>	Percentage <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 18,296,775	\$ 18,145,439	0.83 %
Intergovernmental	15,190,907	15,124,733	0.44 %
Other revenues	<u>1,282,966</u>	<u>1,236,388</u>	3.77 %
Total	<u>\$ 34,770,648</u>	<u>\$ 34,506,560</u>	0.77 %

Tax revenues increased as a result of an increase in the amount of income taxes collected at June 30, 2013 as compared to June 30, 2012.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

The table that follows assists in illustrating the expenditures of the general fund.

<b><u>Expenditures</u></b>	<u>2013</u> <u>Amount</u>	<u>2012</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
Instruction	\$ 19,090,892	\$ 18,105,695	5.44 %
Support services	12,919,682	12,855,680	0.50 %
Operation of non-instructional	232,363	219,495	5.86 %
Extracurricular activities	549,683	545,209	0.82 %
Capital outlay	135,167	-	100.00 %
Debt service	<u>175,774</u>	<u>183,706</u>	(4.32) %
<b>Total</b>	<b><u>\$ 33,103,561</u></b>	<b><u>\$ 31,909,785</u></b>	<b>3.74 %</b>

The increase in capital outlay was a result of the District entering into a new capital lease agreement during the current year. The small increase in instruction, support services and extracurricular activities was primarily related to an attempt by the District to control wages and benefits. The decrease in debt service was due to payments on the new lease being less than the amount paid off during the year.

***Debt Service Fund***

The debt service fund had \$10,568,446 in revenues and other financing sources and \$10,392,501 in expenditures and other financing uses. During fiscal year 2013, the District issued \$5,494,997 in advance refunding bonds (see Note 13 to the notes to the financial statements for detail). The fund balance of the debt service fund increased from \$2,693,294 to \$2,869,239.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2013, the District amended its general fund budget several times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. For the general fund, original budgeted revenues and other financing sources were \$33,582,327. Final budgeted revenues of \$35,590,173 were \$46,199, higher than actual revenues and other financing sources of \$35,543,974.

General fund original appropriations (appropriated expenditures plus other financing uses) were \$34,877,772 and final appropriations were \$35,270,864. The actual budget basis expenditures and other financing uses for fiscal year 2013 totaled \$33,820,428, which was \$1,450,436 less than the final budget appropriations.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED

**Capital Assets and Debt Administration**

***Capital Assets***

The District had \$71,009,334 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The following table shows fiscal year 2013 balances compared to 2012:

**Capital Assets at June 30  
(Net of Accumulated Depreciation)**

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Land	\$ 3,698,648	\$ 3,698,648
Land improvements	55,929	56,999
Buildings and improvements	62,387,333	63,126,921
Furniture and equipment	2,082,522	2,104,827
Vehicles	531,587	461,953
Construction in progress	<u>2,253,315</u>	<u>1,227,300</u>
Total	<u>\$ 71,009,334</u>	<u>\$ 70,676,648</u>

The District had additions of \$1,526,562, depreciation expense of \$1,183,721 and disposals of \$10,155 (net of accumulated depreciation) in fiscal year 2013.

See Note 10 to the basic financial statements for detail on the District's capital assets.

***Debt Administration***

At June 30, 2013 the District had \$61,650,257 in general obligation bonds, \$186,171 in capital lease obligations, \$982,201 in a lease-purchase agreement and \$2,067,405 in energy conservation notes outstanding. Of the total outstanding debt, \$2,084,877 is due within one year and \$62,801,157 is due within greater than one year. The following table summarizes the bonds, notes and lease obligations outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>
General obligation bonds	\$ 61,650,257	\$ 62,502,315
Energy conservation notes	2,067,405	2,184,257
Capital lease obligation	186,171	115,525
Lease-purchase agreement	<u>982,201</u>	<u>1,030,887</u>
Total	<u>\$ 64,886,034</u>	<u>\$ 65,832,984</u>

See Note 13 to the basic financial statements for detail on the District's debt administration.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

During March of 2013, the District refinanced debt in order to take advantage of lower interest rates. In order to borrow the funds, it was necessary for the District to prepare an Official Statement and to participate in a rating presentation with Moody's Investors Service. As a result, the District received an upgrade to the Aa3 underlying rating. This was primarily based on the favorable financial performance over the past three fiscal years that resulted in material improvement in the District's general fund position.

**Current Financial Related Activities**

The District continues to offer an excellent education program for the students.

Current economic conditions are creating challenges for the District. Property values are decreasing throughout the District. Although House Bill 920 allows the effective millage rate collected to increase and thus protects the District from massive reductions in property tax collections, the District still loses money collected on the District's inside tax millage rate.

The District reduced expenditures for fiscal year 2012 through a Reduction in Force measure where 50 positions were eliminated. These positions were not reinstated.

On November 8, 2011, voters in the District approved a three year \$5,830,000 emergency operating levy that renews the emergency levy that expires December 31, 2011. The renewal levy is for a reduction of \$609,000 in the amount of money to be collected annually.

The District will continue to provide the best educational program possible while constantly monitoring the financial status of the District.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Ms. Joyce Boyer, Treasurer, Canal Winchester Local School District, 100 Washington Street, Canal Winchester, Ohio 43110.

**BASIC  
FINANCIAL STATEMENTS**

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2013

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 13,453,198
Cash with fiscal agent . . . . .	2,930,851
Cash in segregated accounts . . . . .	175
Receivables:	
Property taxes . . . . .	21,355,937
Income taxes. . . . .	1,730,824
Payment in lieu of taxes . . . . .	250,936
Accounts. . . . .	36,586
Intergovernmental . . . . .	675,869
Accrued interest . . . . .	7,772
Materials and supplies inventory . . . . .	14,138
Capital assets:	
Nondepreciable capital assets . . . . .	5,951,963
Depreciable capital assets, net. . . . .	65,057,371
Capital assets, net. . . . .	71,009,334
Total assets. . . . .	111,465,620
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on bond refundings . . . . .	1,322,925
<b>Liabilities:</b>	
Accounts payable. . . . .	229,898
Contracts payable. . . . .	133,370
Accrued wages and benefits payable . . . . .	2,824,887
Pension obligation payable. . . . .	590,285
Intergovernmental payable . . . . .	127,096
Accrued interest payable . . . . .	206,468
Matured interest payable. . . . .	175
Claims payable. . . . .	270,555
Long-term liabilities:	
Due within one year. . . . .	2,318,541
Due in more than one year. . . . .	67,483,278
Total liabilities . . . . .	74,184,553
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	14,326,884
Payments in lieu of taxes levied for the next fiscal year. . . . .	250,936
Total deferred inflows of resources . . . . .	14,577,820
<b>Net position:</b>	
Net investment in capital assets . . . . .	7,861,374
Restricted for:	
Capital projects . . . . .	276,411
Classroom facilities maintenance . . . . .	1,035,055
State funded programs. . . . .	25,584
Federally funded programs . . . . .	137,972
Food service operations . . . . .	373,735
Student activities . . . . .	59,250
Other purposes . . . . .	91,751
Unrestricted . . . . .	14,165,040
Total net position. . . . .	\$ 24,026,172

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 16,024,742	\$ 305,795	\$ 322,947	\$ (15,396,000)
Special . . . . .	3,801,713	32,056	1,591,557	(2,178,100)
Vocational . . . . .	403,755	-	186,301	(217,454)
Other . . . . .	401,132	-	270,474	(130,658)
Support services:				
Pupil . . . . .	1,880,776	-	175,155	(1,705,621)
Instructional staff . . . . .	1,135,974	-	265,184	(870,790)
Board of education . . . . .	253,599	-	-	(253,599)
Administration . . . . .	2,887,717	-	94,110	(2,793,607)
Fiscal . . . . .	921,473	-	24,164	(897,309)
Business . . . . .	9,244	-	-	(9,244)
Operations and maintenance . . . . .	3,614,353	93,509	-	(3,520,844)
Pupil transportation . . . . .	2,499,073	63,032	8,172	(2,427,869)
Central . . . . .	417,836	-	7,200	(410,636)
Operation of non-instructional services:				
Other non-instructional services . . . . .	366,315	-	-	(366,315)
Food service operations . . . . .	1,216,080	647,616	612,194	43,730
Extracurricular activities . . . . .	895,645	638,614	2,043	(254,988)
Interest and fiscal charges . . . . .	2,938,706	-	-	(2,938,706)
Bond issuance costs . . . . .	123,891	-	-	(123,891)
Total governmental activities . . . . .	<u>\$ 39,792,024</u>	<u>\$ 1,780,622</u>	<u>\$ 3,559,501</u>	<u>(34,451,901)</u>
 <b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				14,512,634
Classroom facilities . . . . .				147,404
Debt service . . . . .				3,740,086
Payments in lieu of taxes . . . . .				248,668
Income taxes levied for:				
General purposes . . . . .				3,636,920
Grants and entitlements not restricted to specific programs . . . . .				14,452,698
Investment earnings . . . . .				37,645
Win-win settlement . . . . .				641,170
Miscellaneous . . . . .				198,856
Total general revenues . . . . .				<u>37,616,081</u>
Change in net position . . . . .				3,164,180
<b>Net position at beginning of year (restated) . .</b>				<u>20,861,992</u>
<b>Net position at end of year . . . . .</b>				<u>\$ 24,026,172</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 9,358,262	\$ 1,657,431	\$ 2,239,395	\$ 13,255,088
Cash in segregated accounts . . . . .	-	175	-	175
Receivables:				
Property taxes . . . . .	16,857,176	4,328,303	170,458	21,355,937
Income taxes . . . . .	1,730,824	-	-	1,730,824
Payment in lieu of taxes . . . . .	250,936	-	-	250,936
Accounts . . . . .	33,169	-	3,417	36,586
Accrued interest . . . . .	7,772	-	-	7,772
Interfund loans . . . . .	184,244	-	-	184,244
Intergovernmental. . . . .	491,625	-	184,244	675,869
Materials and supplies inventory . . . . .	-	-	14,138	14,138
Total assets . . . . .	<u>\$ 28,914,008</u>	<u>\$ 5,985,909</u>	<u>\$ 2,611,652</u>	<u>\$ 37,511,569</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 174,700	\$ -	\$ 55,198	\$ 229,898
Contracts payable. . . . .	-	-	133,370	133,370
Accrued wages and benefits payable . . . . .	2,674,265	-	150,622	2,824,887
Compensated absences payable . . . . .	70,686	-	-	70,686
Pension obligation payable . . . . .	544,786	-	45,499	590,285
Intergovernmental payable . . . . .	120,806	-	6,290	127,096
Interfund loans payable. . . . .	-	-	184,244	184,244
Matured interest payable . . . . .	-	175	-	175
Total liabilities. . . . .	<u>3,585,243</u>	<u>175</u>	<u>575,223</u>	<u>4,160,641</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	11,309,967	2,902,590	114,327	14,326,884
Delinquent property tax revenue not available . . . . .	833,083	213,905	8,424	1,055,412
Income tax revenue not available . . . . .	432,706	-	-	432,706
Payments in lieu of taxes levied for the next fiscal year. . . . .	250,936	-	-	250,936
Intergovernmental revenue not available. . . . .	392,293	-	138,043	530,336
Accrued interest not available . . . . .	2,522	-	-	2,522
Miscellaneous revenue not available. . . . .	10,330	-	-	10,330
Total deferred inflows of resources. . . . .	<u>13,231,837</u>	<u>3,116,495</u>	<u>260,794</u>	<u>16,609,126</u>

- - continued

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	\$ -	\$ -	\$ 14,138	\$ 14,138
Restricted:				
Debt service . . . . .	-	2,869,239	-	2,869,239
Capital improvements . . . . .	-	-	203,096	203,096
Classroom facilities maintenance . . . . .	-	-	1,026,631	1,026,631
Food service operations . . . . .	-	-	368,202	368,202
Non-public schools . . . . .	-	-	25,584	25,584
Special education . . . . .	-	-	8,926	8,926
Targeted academic assistance . . . . .	-	-	14,138	14,138
Other purposes . . . . .	-	-	91,751	91,751
Extracurricular . . . . .	-	-	59,250	59,250
Committed:				
Capital improvements . . . . .	-	-	58,148	58,148
Assigned:				
Student instruction . . . . .	176,372	-	-	176,372
Student and staff support . . . . .	286,732	-	-	286,732
Non-instructional services . . . . .	5,198	-	-	5,198
Extracurricular . . . . .	1,200	-	-	1,200
Subsequent year appropriations . . . . .	1,607,442	-	-	1,607,442
Unassigned (deficit) . . . . .	10,019,984	-	(94,229)	9,925,755
Total fund balances . . . . .	<u>12,096,928</u>	<u>2,869,239</u>	<u>1,775,635</u>	<u>16,741,802</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 28,914,008</u>	<u>\$ 5,985,909</u>	<u>\$ 2,611,652</u>	<u>\$ 37,511,569</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2013

<b>Total governmental fund balances</b>		\$ 16,741,802
<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.		71,009,334
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		
Property taxes receivable	\$ 1,055,412	
Income taxes receivable	432,706	
Intergovernmental receivable	530,336	
Accounts receivable	10,330	
Accrued interest receivable	2,522	
Total	2,031,306	2,031,306
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.		2,858,406
Unamortized premiums on bonds issued are not recognized in the funds.		(4,040,855)
Unamortized deferred charges on refundings are not recognized in the funds.		1,322,925
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(206,468)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(804,244)	
General obligation bonds	(61,650,257)	
Notes	(2,067,405)	
Lease purchase agreement	(982,201)	
Capital lease obligations	(186,171)	
Total	(65,690,278)	(65,690,278)
<b>Net position of governmental activities</b>		<b>\$ 24,026,172</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 14,684,790	\$ 3,774,418	\$ 149,125	\$ 18,608,333
Income taxes . . . . .	3,611,985	-	-	3,611,985
Payment in lieu of taxes . . . . .	248,668	-	-	248,668
Tuition . . . . .	158,671	-	-	158,671
Transportation fees . . . . .	63,032	-	-	63,032
Earnings on investments . . . . .	37,972	-	1,451	39,423
Charges for services . . . . .	-	-	647,616	647,616
Extracurricular . . . . .	365,902	-	273,955	639,857
Classroom materials and fees . . . . .	175,084	-	-	175,084
Rental income . . . . .	93,194	-	1,750	94,944
Contributions and donations . . . . .	30,000	-	6,552	36,552
Other local revenues . . . . .	110,443	-	1,921	112,364
Intergovernmental - state . . . . .	15,179,060	487,672	410,523	16,077,255
Intergovernmental - federal . . . . .	11,847	-	1,719,601	1,731,448
Total revenues . . . . .	<u>34,770,648</u>	<u>4,262,090</u>	<u>3,212,494</u>	<u>42,245,232</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	15,287,983	-	326,364	15,614,347
Special . . . . .	3,332,918	-	369,212	3,702,130
Vocational . . . . .	370,045	-	-	370,045
Other . . . . .	99,946	-	302,156	402,102
Support services:				
Pupil . . . . .	1,668,887	-	174,967	1,843,854
Instructional staff . . . . .	802,350	-	277,473	1,079,823
Board of education . . . . .	251,219	-	-	251,219
Administration . . . . .	2,763,723	-	95,049	2,858,772
Fiscal . . . . .	841,094	61,715	26,390	929,199
Business . . . . .	9,092	-	-	9,092
Operations and maintenance . . . . .	3,574,252	-	18,451	3,592,703
Pupil transportation . . . . .	2,598,706	-	9,021	2,607,727
Central . . . . .	410,359	-	7,200	417,559
Operation of non-instructional services:				
Other non-instructional services . . . . .	232,363	-	-	232,363
Food service operations . . . . .	-	-	1,198,279	1,198,279
Extracurricular activities . . . . .	549,683	-	287,302	836,985
Facilities acquisition and construction . . . . .	-	-	1,026,015	1,026,015
Capital outlay . . . . .	135,167	-	-	135,167
Debt service:				
Principal retirement . . . . .	113,207	1,685,000	-	1,798,207
Interest and fiscal charges . . . . .	62,567	2,391,253	-	2,453,820
Bond issuance costs . . . . .	-	123,891	-	123,891
Total expenditures . . . . .	<u>33,103,561</u>	<u>4,261,859</u>	<u>4,117,879</u>	<u>41,483,299</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>1,667,087</u>	<u>231</u>	<u>(905,385)</u>	<u>761,933</u>

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Other financing sources (uses):</b>				
Premium on refunding bonds . . . . .	\$ -	\$ 626,659	\$ -	\$ 626,659
Sale of refunding bonds . . . . .	-	5,494,997	-	5,494,997
Payment to refunding bond escrow agent . . .	-	(6,130,642)	-	(6,130,642)
Capital lease transaction. . . . .	135,167	-	-	135,167
Sale of assets . . . . .	49,501	-	-	49,501
Transfers in. . . . .	750	184,700	3,611	189,061
Transfers (out) . . . . .	(188,311)	-	(750)	(189,061)
Win-win settlement. . . . .	641,170	-	-	641,170
Total other financing sources (uses) . . . . .	<u>638,277</u>	<u>175,714</u>	<u>2,861</u>	<u>816,852</u>
Net change in fund balances . . . . .	2,305,364	175,945	(902,524)	1,578,785
<b>Fund balances at beginning of year . . . . .</b>	<u>9,791,564</u>	<u>2,693,294</u>	<u>2,678,159</u>	<u>15,163,017</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 12,096,928</u>	<u>\$ 2,869,239</u>	<u>\$ 1,775,635</u>	<u>\$ 16,741,802</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, 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, 2013

<b>Net change in fund balances - total governmental funds</b>	\$		1,578,785
<i>Amounts reported for governmental activities in the statement of activities 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. This is the amount by which capital outlays exceeded depreciation expense in the current period.			
Capital asset additions	\$	1,526,562	
Current year depreciation		(1,183,721)	
Total			342,841
Governmental funds only report the gain from the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.			
			(10,155)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes		(208,209)	
Income taxes		24,935	
Earnings on investments		(327)	
Classroom materials and fees		1,103	
Rental income		315	
Other local revenues		61,615	
Intergovernmental		193,572	
Total			73,004
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.			
			1,798,207
The issuance of refunding bonds and capital lease obligations are recorded as other financing sources in the governmental funds; however, in the statement of activities, they are not reported as revenues as they increase long-term liabilities on the statement of net position.			
			(5,630,164)
Payment to refunding bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:			
General obligation bonds refunded		5,495,000	
Premium refunded		747,163	
Deferred charges refunded		(206,780)	
Deferred charges on refunding		95,259	
Total			6,130,642
Premiums on debt issuances are recognized as revenues in the governmental funds; however, they are amortized over the life of the issuance on the statement of activities.			
			(626,659)
Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The following items resulted in more interest being reported in the statement of activities.			
Increase in accrued interest payable		(2,546)	
Accreted interest on capital appreciation bonds		(716,093)	
Amortization of bond premiums		368,393	
Amortization of deferred charges		(134,640)	
Total			(484,886)
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.			
			(87,886)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities.			
			80,451
<b>Change in net position of governmental activities</b>	<b>\$</b>		<b>3,164,180</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, 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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 14,336,975	\$ 15,194,167	\$ 14,694,875	\$ (499,292)
Income taxes . . . . .	3,227,822	3,420,809	3,537,180	116,371
Payment in lieu of taxes . . . . .	244,000	244,000	248,668	4,668
Tuition . . . . .	150,077	159,050	158,671	(379)
Transportation fees . . . . .	48,595	51,500	63,032	11,532
Earnings on investments . . . . .	28,308	30,000	36,077	6,077
Classroom materials and fees . . . . .	165,144	175,018	175,120	102
Extracurricular . . . . .	259,486	275,000	272,846	(2,154)
Rental income . . . . .	84,923	90,000	92,494	2,494
Contributions and donations . . . . .	2,831	3,000	30,000	27,000
Other local revenues . . . . .	86,843	106,624	120,420	13,796
Intergovernmental - state . . . . .	14,063,496	14,904,335	15,179,060	274,725
Intergovernmental - federal . . . . .	47,179	50,000	18,378	(31,622)
Total revenue . . . . .	<u>32,745,679</u>	<u>34,703,503</u>	<u>34,626,821</u>	<u>(76,682)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	15,363,196	15,494,736	15,292,154	202,582
Special . . . . .	3,927,001	3,687,137	3,450,747	236,390
Vocational . . . . .	392,330	396,312	386,172	10,140
Other . . . . .	88,499	117,038	115,084	1,954
Support services:				
Pupil . . . . .	1,777,636	1,735,369	1,677,317	58,052
Instructional staff . . . . .	1,013,626	873,230	853,381	19,849
Board of education . . . . .	280,251	242,276	220,962	21,314
Administration . . . . .	2,910,641	3,003,608	2,831,587	172,021
Fiscal . . . . .	950,094	892,164	874,007	18,157
Business . . . . .	-	11,596	8,938	2,658
Operations and maintenance . . . . .	4,142,880	4,093,302	3,904,960	188,342
Pupil transportation . . . . .	2,957,739	2,980,708	2,838,829	141,879
Central . . . . .	290,420	420,856	409,823	11,033
Operation of non-instructional services . . . . .	-	112,495	110,950	1,545
Extracurricular activities . . . . .	491,759	494,139	472,815	21,324
Total expenditures . . . . .	<u>34,586,072</u>	<u>34,554,966</u>	<u>33,447,726</u>	<u>1,107,240</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(1,840,393)</u>	<u>148,537</u>	<u>1,179,095</u>	<u>1,030,558</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure . . . . .	604,998	641,170	642,529	1,359
Refund of prior year receipt . . . . .	(2,000)	(2,000)	-	2,000
Transfers in . . . . .	-	-	896	896
Transfers (out) . . . . .	(189,700)	(217,682)	(188,457)	29,225
Advances in . . . . .	188,717	200,000	224,227	24,227
Advances (out) . . . . .	-	(184,245)	(184,245)	-
Sale of assets . . . . .	42,933	45,500	49,501	4,001
Contingencies . . . . .	(100,000)	(311,971)	-	311,971
Total other financing sources (uses) . . . . .	<u>544,948</u>	<u>170,772</u>	<u>544,451</u>	<u>373,679</u>
Net change in fund balance . . . . .	(1,295,445)	319,309	1,723,546	1,404,237
<b>Fund balance at beginning of year . . . . .</b>	<b>6,304,471</b>	<b>6,304,471</b>	<b>6,304,471</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>705,600</b>	<b>705,600</b>	<b>705,600</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 5,714,626</u></b>	<b><u>\$ 7,329,380</u></b>	<b><u>\$ 8,733,617</u></b>	<b><u>\$ 1,404,237</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2013

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . .	\$ 198,110
Cash with fiscal agent . . . . .	<u>2,930,851</u>
Total assets . . . . .	<u>3,128,961</u>
<b>Liabilities:</b>	
Claims payable. . . . .	<u>270,555</u>
Total liabilities . . . . .	<u>270,555</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>2,858,406</u>
Total net position . . . . .	<u><u>\$ 2,858,406</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 4,112,006
Total operating revenues. . . . .	<u>4,112,006</u>
 <b>Operating expenses:</b>	
Purchased services . . . . .	2,842
Claims . . . . .	<u>4,028,713</u>
Total operating expenses. . . . .	<u>4,031,555</u>
 Operating income/change in net position . . . . .	 <u>80,451</u>
 <b>Net position at beginning of year. . . . .</b>	 <u>2,777,955</u>
 <b>Net position at end of year . . . . .</b>	 <u><u>\$ 2,858,406</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 4,112,006
Cash payments for contractual services . . . . .	(2,842)
Cash payments for claims . . . . .	<u>(4,057,836)</u>
Net cash provided by operating activities . . . . .	<u>51,328</u>
Net increase in cash and cash equivalents . . . . .	51,328
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>3,077,633</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 3,128,961</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 80,451
Changes in assets and liabilities:	
Decrease in claims payable. . . . .	<u>(29,123)</u>
Net cash provided by operating activities . . . . .	<u><u>\$ 51,328</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2013

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . .	\$ 35,236
Total assets. . . . .	<u>\$ 35,236</u>
<b>Liabilities:</b>	
Due to students. . . . .	\$ 35,236
Total liabilities . . . . .	<u>\$ 35,236</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Canal Winchester Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local District as defined by Section 3311.03 of the Ohio Revised code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of October 2012 was 3,668. The District employed 15 full-time administrators and coordinators, 227 full-time certified employees, and 128 full-time classified employees.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance 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 an amendment of GASB Statements No. 14 and No. 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 government's 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).

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Metropolitan Educational Council

MEC is a not-for-profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. MEC is established under the Ohio Revised Code Chapter 167 as a regional council of governments. The governing board of MEC consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the Governing Board. MEC is its own fiscal agent. MEC provides computer services to the District.

Financial information can be obtained from the offices of the Director, Metropolitan Educational Council, 2100 Citygate Drive, Columbus, Ohio.

South Central Ohio Insurance Consortium

The District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. The governing board consists of the superintendent, treasurer, or other designee appointed by each of the members of the SCOIC. Members include 12 school districts, plus the City of Lancaster. The Liberty Union-Thurston Local School District serves as fiscal agent for the SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, at 600 Washington Street, Baltimore, Ohio 43105. See Note 15.C for further information.

**B. Fund Accounting**

The District uses funds to report 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. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

*GOVERNMENTAL FUNDS*

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

***PROPRIETARY FUNDS***

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is a description of the District's proprietary fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service fund accounts for the health, medical, prescription drug and dental self-insurance program.

***FIDUCIARY FUNDS***

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds.

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

**C. Basis of Presentation and Measurement Focus**

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 "doubling up" revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

*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 presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets/deferred outflows of resources and current liabilities/deferred inflows of resources generally are included on the governmental funds balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 fund are charges for services. Operating expenses for the internal service fund include claims and purchased services expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds do not report a measurement focus as they do not report operations.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the period in which the income is earned (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes and payments in lieu of taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Income taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at June 30, 2013, are recorded as deferred inflows on the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources.

Deferred outflows of resources consist of unamortized deferred charges on debt refunding as reported on the statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency). The specific timetable for fiscal year 2013 is as follows.

1. Prior to January 15, 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 tax rate determination.
3. Prior to April 1, 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 which states the projected revenue of each fund. Prior to July 1, 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 of estimated resources. The revised budget then serves as a basis for the appropriation measure. 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 of estimated resources may be further amended during the year if projected increases or decreases in revenues are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2013.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. 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 appropriations totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource, and are not intended to be repaid.
6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations, which either re-allocated or increased the original, appropriated amounts. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.
9. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2013, the District's investments included non-negotiable certificates of deposit, commercial paper and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2013. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on June 30, 2013.

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the auxiliary services fund, lunch room and trust fund authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$37,972, which includes \$12,799 assigned from other District funds.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

An analysis of the District's investments at year end is provided in Note 4.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of supplies, donated food and purchased food.

**H. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of 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 additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20-100 years
Buildings and improvements	15 - 100 years
Furniture and equipment	5 - 20 years
Vehicles	10 years

**I. Interfund Balances**

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

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2013, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least fifteen years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2013, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

Compensated absences are only reported in the governmental fund financial statements if they have matured. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid, which is primarily the general fund. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables and accrued liabilities payable from the internal service fund are reported on the proprietary fund financial statements.

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

**L. Fund Balance**

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.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies 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.

**M. Estimates**

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

**N. Net Position**

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

**O. Interfund Activity**

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

**P. Issuance Costs, Bond Premium and Discount and Accounting Gain or Loss on Debt Refunding**

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.A.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

**Q. 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. Neither type of transaction occurred during fiscal year 2013.

**R. Parochial Schools**

World Harvest Church is within the District boundaries. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District is reflected in a nonmajor governmental fund for financial reporting purposes.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2013, the District has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the District.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the District.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the District's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

The implementation of GASB Statement No. 65 had the following effect on the financial statements of the District:

	Governmental Activities
Net assets as previously reported	\$ 21,702,284
Removal of unamortized bond issuance costs	(840,292)
Net position at July 1, 2012	\$ 20,861,992

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2013 included the following individual fund deficits:

Nonmajor funds	Deficit
Race to the top	\$ 6,671
Limited english proficiency	1,714
Title I disadvantaged children	85,844

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim 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.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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;
5. No-load money market mutual funds consisting exclusively of obligations described items in (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 one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests 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 resending the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash with Fiscal Agent**

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2013 was \$2,930,851.

**B. Cash in Segregated Accounts**

At June 30, 2013, \$175 was on deposit in the District's debt service clearance account related to matured interest payable and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the balance sheet and statement of net position; it is reported on the balance sheet and statement of net position as "cash in segregated accounts".

**C. Deposits with Financial Institutions**

At June 30, 2013, the carrying amount of all District deposits, including \$5,000,000 in non-negotiable certificates of deposit, was \$9,481,707. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2013, \$9,495,210 of the District's bank balance of \$9,995,385 was exposed to custodial risk as discussed below, while \$500,175 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and 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.

**D. Investments**

As of June 30, 2013, the District had the following investments and maturity:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturity 6 months or less</u>
STAR Ohio	\$ 11,370	\$ 11,370
Commercial paper	<u>3,995,532</u>	<u>3,995,532</u>
Total	<u>\$ 4,006,902</u>	<u>\$ 4,006,902</u>

*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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an 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 investment in commercial paper carries a rating of A1+ by Moodys and P1 by Standard & Poor's. 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 investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*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, 2013:

<u>Investment type</u>	<u>Fair value</u>	<u>% to total</u>
STAR Ohio	\$ 11,370	0.28
Commercial paper	<u>3,995,532</u>	<u>99.72</u>
Total	<u>\$ 4,006,902</u>	<u>100.00</u>

**E. Reconciliation of Cash and Investment to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 9,481,707
Cash with fiscal agent	2,930,851
Investments	<u>4,006,902</u>
Total	<u>\$ 16,419,460</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 16,384,224
Agency fund	<u>35,236</u>
Total	<u>\$ 16,419,460</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund balances at June 30, 2013, as reported on the fund statements consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor special revenue funds	\$ 184,244

The primary purpose of the interfund balances is to cover costs 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.

- B.** Interfund transfers for the fiscal year 2013 consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Debt service fund	\$ 184,700
Building nonmajor capital projects fund	3,611
 <u>Transfers to general fund from:</u>	
Miscellaneous federal grants nonmajor special revenue fund	750

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. The transfer to the general fund from the miscellaneous federal grants special revenue fund was made to close out the grant.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - 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 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, 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 2013 represent the collection of calendar year 2012 taxes. Public utility real and personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin and Fairfield Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available as an advance at June 30, 2013 was \$4,714,126 in the general fund, \$1,211,808 in the debt service fund, and \$47,707 in the classroom facilities maintenance nonmajor special revenue fund. This amount is recorded as revenue. The amount available for advance at June 30, 2012 was \$4,724,211 in the general fund, \$1,167,482 in the debt service fund, and \$47,701 in the classroom facilities maintenance nonmajor special revenue 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, 2013 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second Half Collections		2013 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 391,015,940	95.86	\$ 391,837,560	95.76
Public utility personal	<u>16,907,470</u>	<u>4.14</u>	<u>17,340,430</u>	<u>4.24</u>
Total	<u>\$ 407,923,410</u>	<u>100.00</u>	<u>\$ 409,177,990</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$ 79.13		\$ 79.45

**NOTE 7 - PAYMENT IN LIEU OF TAXES**

According to State law, Fairfield County has entered into agreements with property owners under which Fairfield County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Fairfield County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$248,668 in payments in lieu of taxes as a result of these agreements during fiscal year 2013 and a receivable of \$250,936 has been reported on the statement of net position.

**NOTE 8 - INCOME TAX**

The District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the state. Taxpayers are required to file an annual return. The state makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue credited to the general fund and as reported on the statement of activities totaled \$3,611,985 and \$3,636,920, respectively, in fiscal year 2013.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 9 - RECEIVABLES**

Receivables at June 30, 2013 consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements and accrued interest. 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 of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 21,355,937
Income taxes	1,730,824
Payment in lieu of taxes	250,936
Accounts	36,586
Accrued interest	7,772
Intergovernmental:	
Bureau of Workers Compensation refund	99,332
SERS receivable	111,635
Medicaid school program receivable	280,658
Race to the top	20,611
IDEA, Part B	46,201
Title I school improvement	4,282
Limited english proficiency	24,534
Title I disadvantaged children	81,298
IDEA preschool - handicapped	3,779
Improving teacher quality	3,539
Total intergovernmental receivables	<u>\$ 675,869</u>

Receivables have been disaggregated on the face of the financial statements. All receivables, except property taxes, are expected to be collected within one year. Property taxes and payment in lieu of taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance</u> <u>06/30/12</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/13</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,698,648	\$ -	\$ -	\$ 3,698,648
Construction in progress	<u>1,227,300</u>	<u>1,026,015</u>	<u>-</u>	<u>2,253,315</u>
Total capital assets, not being depreciated	<u>4,925,948</u>	<u>1,026,015</u>	<u>-</u>	<u>5,951,963</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	90,951	-	-	90,951
Buildings and improvements	72,189,339	-	-	72,189,339
Furniture and equipment	4,721,575	316,924	(192,042)	4,846,457
Vehicles	<u>2,499,373</u>	<u>183,623</u>	<u>(92,024)</u>	<u>2,590,972</u>
Total capital assets, being depreciated	<u>79,501,238</u>	<u>500,547</u>	<u>(284,066)</u>	<u>79,717,719</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(33,952)	(1,070)	-	(35,022)
Buildings	(9,062,418)	(739,588)	-	(9,802,006)
Furniture and equipment	(2,616,748)	(329,074)	181,887	(2,763,935)
Vehicles	<u>(2,037,420)</u>	<u>(113,989)</u>	<u>92,024</u>	<u>(2,059,385)</u>
Total accumulated depreciation	<u>(13,750,538)</u>	<u>(1,183,721)</u>	<u>273,911</u>	<u>(14,660,348)</u>
Governmental activities capital assets, net	<u>\$ 70,676,648</u>	<u>\$ 342,841</u>	<u>\$ (10,155)</u>	<u>\$ 71,009,334</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 502,689
Special	87,779
Vocational	19,600
<u>Support services:</u>	
Pupil	40,782
Instructional staff	47,968
Board of education	2,767
Administration	117,246
Fiscal	7,678
Operations and maintenance	90,045
Pupil transportation	155,447
Central	5,640
Food service operations	29,066
Extracurricular activities	<u>77,014</u>
Total depreciation expense	<u>\$ 1,183,721</u>

**NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During fiscal year 2013 and in prior fiscal years, the District entered into capitalized leases for copier equipment. The lease agreements meet the criteria of a capital lease as defined by GASB, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds.

Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and in the budgetary statements. At June 30, 2013, the capital assets acquired by the capital lease obligations outstanding at fiscal year-end have been capitalized in the amount of \$324,561, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2013 was \$163,144, leaving a current book value of \$161,417.

A corresponding liability is recorded in the statement of net position. Principal and interest payments in fiscal year 2013 totaled \$64,521 and \$12,633, respectively, in the general fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)**

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2013:

<u>Fiscal Year Ending June 30,</u>	<u>Copiers</u>
2014	\$ 68,972
2015	54,610
2016	37,219
2017	31,423
2018	<u>15,245</u>
Total minimum lease payments	207,469
Less: amount representing interest	<u>(21,298)</u>
Total	<u>\$ 186,171</u>

**NOTE 12 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During fiscal year 2007, the District entered into a lease-purchase agreement with All Points Public Funding, LLC. The lease meets the criteria of a lease-purchase as defined by GASB, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to construct school district facilities, improvements to facilities, and equip the facilities with furniture and equipment. At June 30, 2013, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,073,171. Accumulated depreciation as of June 30, 2013 was \$64,403, leaving a current book value of \$1,008,768. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2013 totaled \$48,686 and \$49,934, respectively, in the general fund.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2013.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2014	\$ 98,620
2015	98,620
2016	98,620
2017	98,620
2018	98,620
2019 - 2023	493,100
2024 - 2027	<u>369,829</u>
Total minimum lease payments	1,356,029
Less: amount representing interest	<u>(373,828)</u>
Present value of minimum lease payments	<u>\$ 982,201</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 13 - LONG-TERM OBLIGATIONS**

A. The District's long-term obligations activity during fiscal year 2013 consisted of the following:

	Balance			Balance	Amounts
	<u>06/30/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/13</u>	<u>Due in</u> <u>One Year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 62,502,315	\$ 6,202,942	\$ (7,055,000)	\$ 61,650,257	\$ 1,845,000
Energy conservation notes	2,184,257	8,148	(125,000)	2,067,405	130,000
Lease purchase agreement	1,030,887	-	(48,686)	982,201	51,152
Capital lease obligation	115,525	135,167	(64,521)	186,171	58,725
Compensated absences	<u>747,548</u>	<u>440,515</u>	<u>(313,133)</u>	<u>874,930</u>	<u>233,664</u>
 Total long-term obligations, governmental activities	 <u>\$ 66,580,532</u>	 <u>\$ 6,786,772</u>	 <u>\$ (7,606,340)</u>	 <u>65,760,964</u>	 <u>\$ 2,318,541</u>
 Add: Unamortized premium on refunding				 <u>4,040,855</u>	
 Total on the statement of net position				 <u>\$ 69,801,819</u>	

**B. General Obligation Bonds**

The District has seven outstanding general obligation bond issues at June 30, 2013. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and the advance refunding of previous issues. These general obligation bonds are direct obligations of the district for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's debt service fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the District's general obligation bonds outstanding at June 30, 2013:

<b>General obligation bonds:</b>	Balance 06/30/12	Additions	Reductions	Balance 06/30/13
Series 1998B - current interest bonds	\$ 1,680,000	\$ -	\$ (715,000)	\$ 965,000
Series 2000 - current interest bonds	845,000	-	(5,000)	840,000
Series 2001 - capital appreciation bonds	338,363	-	-	338,363
Series 2001 - accreted interest	1,152,186	163,545	-	1,315,731
	<u>1,490,549</u>	<u>163,545</u>	<u>-</u>	<u>1,654,094</u>
Series 2005-A - refunding current interest bonds	2,810,000	-	(1,305,000)	1,505,000
Series 2005-A - refunding capital appreciation bonds	255,000	-	-	255,000
Series 2005-A - accreted interest	279,689	74,080	-	353,769
	<u>3,344,689</u>	<u>74,080</u>	<u>(1,305,000)</u>	<u>2,113,769</u>
Series 2005-B - refunding and school facilities construction current interest bonds	5,495,000	-	(4,810,000)	685,000
Series 2005-B - refunding capital appreciation bonds	3,600,000	-	-	3,600,000
Series 2005-B - accreted interest	2,336,617	435,224	-	2,771,841
	<u>11,431,617</u>	<u>435,224</u>	<u>(4,810,000)</u>	<u>7,056,841</u>
Series 2007 - refunding current interest bonds	40,995,000	-	(155,000)	40,840,000
Series 2007 - refunding capital appreciation bonds	4,983	-	-	4,983
Series 2007 - accreted interest	37,626	21,869	-	59,495
	<u>41,037,609</u>	<u>21,869</u>	<u>(155,000)</u>	<u>40,904,478</u>
Series 2011 - current interest serial bonds	525,000	-	(65,000)	460,000
Series 2011 - current interest term bonds	2,095,000	-	-	2,095,000
Series 2011 - capital appreciation bonds	50,000	-	-	50,000
Series 2011 - accreted interest	2,851	13,227	-	16,078
	<u>2,672,851</u>	<u>13,227</u>	<u>(65,000)</u>	<u>2,621,078</u>
Series 2013 - refunding current interest bonds	-	5,355,000	-	5,355,000
Series 2013 - refunding capital appreciation bonds	-	139,997	-	139,997
	<u>-</u>	<u>5,494,997</u>	<u>-</u>	<u>5,494,997</u>
<b>Total general obligation bonds payable</b>	<u>\$ 62,502,315</u>	<u>\$ 6,202,942</u>	<u>\$ (7,055,000)</u>	<u>\$ 61,650,257</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

*Series 1998-B General Obligation Bonds*

On April 1, 1998, the District issued current interest general obligation bonds to finance the construction and equipping of a new elementary school and improving the site thereof. The issue is made up of current interest bonds, bears an interest rate of 5.300 percent and matures on December 1, 2025. On April 14, 2005, the District issued \$3,055,000 (Series 2005A Refunding Bonds) to advance refund the callable portion of the bonds. On March 27, 2007, the District advance refunded an additional \$7,150,000 (Series 2007 Refunding Bonds) of the callable portion of the bonds. At June 30, 2013, the balance of the Series 1998-B General Obligation Bonds is \$965,000. The balance of the refunded bonds at June 30, 2013, is \$6,365,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

*Series 2000 General Obligation Bonds*

On May 9, 2000, the District issued current interest general obligation bonds to finance the construction of a new intermediate building, an addition to the high school and renovations to the current intermediate building. The issue is made up of current interest bonds, bears an interest rate of 6.375 percent and matures on June 1, 2028. The bonds have an outstanding balance of \$840,000 at June 30, 2013.

*Series 2001 General Obligation Bonds*

On November 11, 2001, the District issued general obligation bonds to provide funds for the construction of a new intermediate building, an addition to the high school and renovations to the current intermediate building. On May 19, 2005, the District issued \$5,710,000 (Series 2005B Refunding Bonds) to advance refund a portion of the callable portion of the current interest bonds. On March 27, 2007, the District advance refunded an additional \$7,310,000 (Series 2007 Refunding Bonds) of the callable portion of the bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds at June 30, 2013, is \$7,310,000.

At June 30, 2012, the non-refunded portion of this issue is comprised of capital appreciation bonds, par value \$338,363. The capital appreciation bonds mature on December 1, 2013 (stated interest 10.646 percent), December 1, 2014 (stated interest 10.847 percent), December 1, 2015 (stated interest 11.025 percent), December 1, 2016 (stated interest 11.185 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$2,070,000. A total of \$1,315,731 in accreted interest on the capital appreciation bonds has been included in the statement of net position at June 30, 2013.

*Series 2005-A Refunding General Obligation Bonds*

On April 14, 2005, the District issued general obligation bonds to advance refund \$1,610,000 of the current interest Series 1993 Refunding Bonds and \$3,055,000 of the current interest Series 1998-B General Obligation Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

On May 1, 2013, the District advance refunded (Series 2013 Refunding Bonds) \$1,000,000 of the Series 2005-A current interest serial bonds due December 1, 2016. The balance of the refunded bonds at June 30, 2013, is \$1,000,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

At June 30, 2013, the non-refunded portion of the debt issue is comprised of both current interest bonds, par value \$1,505,000, and capital appreciation bonds, par value \$255,000. The interest rate on the current interest bonds ranges from 3.00-5.00 percent. The capital appreciation bonds mature December 1, 2013 (stated interest 32.820 percent) and December 1, 2019 (stated interest 8.214 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$825,000. Total accreted interest of \$353,769 has been included in the statement of net position.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity is December 1, 2015.

The reacquisition price exceeded the net carrying amount of the old debt by \$297,874. 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.

*Series 2005-B School Facilities Construction and Advance Refunding Bonds*

On May 1, 2005, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 2001 General Obligation Bonds (principal \$5,710,000; interest rate 5.010 percent) and to finance the construction and equipping of new school facilities, constructing additions and renovations of existing school facilities, and acquiring land with the \$32,500,000 new money issue. The issuance proceeds of \$5,710,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

On March 27, 2007, the District advance refunded \$28,675,000 (Series 2007 Refunding Bonds) of the callable portion of the bonds. The balance of the refunded bonds at June 30, 2013 is \$28,675,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

On May 1, 2013, the District advance refunded (Series 2013 Refunding Bonds) \$4,495,000 of the Series 2005-B current interest serial bonds maturing on December 1, 2016 through December 1, 2020. The balance of the refunded bonds at June 30, 2013, is \$4,495,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

At June 30, 2013, the non-refunded portion of the debt issue is comprised of both current interest bonds, par value \$685,000, and capital appreciation bonds, par value \$3,600,000. The interest rate on the current interest bonds ranges from 3.00-5.00 percent. The capital appreciation bonds mature December 1, 2021 (stated interest 11.049 percent), December 1, 2029 (stated interest 6.942 percent), December 1, 2030 (stated interest 6.946 percent), December 1, 2031 (stated interest 6.939 percent), December 1, 2032 (stated interest 6.950 percent), December 1, 2033 (stated interest 6.915 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$21,250,000. Total accreted interest of \$2,771,841 has been included in the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$604,734. 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.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

Series 2007 Advance Refunding Bonds

On March 27, 2007, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 1998-B General Obligation Bonds (principal \$7,150,000), Series 2001 General Obligation Bonds (principal \$7,310,000), and Series 2005-B School Facilities Construction and Advance Refunding (\$28,675,000). The issuance proceeds of \$43,099,983 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

At June 30, 2013, the debt issue is comprised of both current interest bonds, par value \$40,840,000, and a capital appreciation bond, par value \$4,983. The interest rate on the current interest bonds ranges from 4.00-5.25 percent. The capital appreciation bond matures December 1, 2022 (approximate initial offering yield at maturity of 4.30 percent), at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$3,300,000. Total accreted interest of \$59,495 has been included in the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,445,025. 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.

Series 2011 School Facilities Construction and Improvement General Obligation Bonds

On November 9, 2011, the District issued \$2,670,000 in general obligation bonds to finance the School Facilities Construction and Improvement Notes that matured on November 17, 2011, on a long-term basis. The debt issue is comprised of current interest serial bonds (par value \$525,000), current interest term bonds (par value \$2,095,000) and capital appreciation bonds (par value \$50,000). The interest rate on the current interest serial bonds is 2.00 percent and the interest rate on the current interest term bonds ranges from 3.50-4.20 percent. The capital appreciation bonds mature December 1, 2017 (approximate initial offering yield at maturity of 3.00 percent) and December 1, 2018 (approximate initial offering yield at maturity of 3.30 percent), at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$160,000. Total accreted interest of \$16,078 has been included in the statement of net position.

Interest payments on the bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial bonds, current interest term bonds, and capital appreciation bonds is December 1, 2021, December 1, 2038, and December 2018, respectively.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

Current interest term bonds (\$355,000) maturing on December 1, 2024:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2022	\$ 85,000
2023	85,000
2024	90,000
2025	95,000

Current interest term bonds (\$300,000) maturing on December 1, 2027:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2026	\$ 95,000
2027	100,000
2028	105,000

Current interest term bonds (\$450,000) maturing on December 1, 2031:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2029	\$ 105,000
2030	110,000
2031	115,000
2032	120,000

Current interest term bonds (\$390,000) maturing on December 1, 2034:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2033	\$ 125,000
2034	130,000
2035	135,000

Current interest term bonds (\$600,000) maturing on December 1, 2038:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2036	\$ 140,000
2037	145,000
2038	155,000
2039	160,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

*Series 2013 Advance Refunding Bonds*

On May 1, 2013, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 2005-A General Obligation Refunding Bonds (principal \$1,000,000 and Series 2005-B School Facilities Construction and Advance Refunding Bonds (principal \$4,495,000). The issuance proceeds of \$5,494,997 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

At June 30, 2013, the debt issue is comprised of both current interest bonds, par value \$5,355,000, and capital appreciation bonds, par value \$139,997. The interest rate on the current interest bonds ranges from 0.35-2.10 percent. The capital appreciation bonds mature December 1, 2016 (stated interest 1.35 percent), and December 1, 2020 (stated interest 2.65 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date.

The reacquisition price exceeded the net carrying amount of the old debt by \$92,259. 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 future debt service requirements to maturity for the general obligation bonds.

Year Ended	Current Interest Serial/Term Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,355,000	\$ 2,474,734	\$ 3,829,734	\$ 77,475	\$ 412,525	\$ 490,000
2015	1,425,000	2,405,924	3,830,924	86,045	393,955	480,000
2016	1,520,000	2,345,856	3,865,856	91,153	488,847	580,000
2017	1,530,000	2,031,580	3,561,580	157,990	712,010	870,000
2018	2,010,000	1,984,102	3,994,102	270,000	475,000	745,000
2019 - 2023	14,020,000	8,411,949	22,431,949	360,697	1,909,303	2,270,000
2024 - 2028	24,945,000	4,080,609	29,025,609	4,983	3,295,017	3,300,000
2029 - 2033	5,075,000	357,998	5,432,998	2,755,000	13,065,000	15,820,000
2034 - 2038	705,000	109,878	814,878	585,000	3,370,000	3,955,000
2039	160,000	3,360	163,360	-	-	-
Total	<u>\$ 52,745,000</u>	<u>\$ 24,205,990</u>	<u>\$ 76,950,990</u>	<u>\$ 4,388,343</u>	<u>\$ 24,121,657</u>	<u>\$ 28,510,000</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

**C. Energy Conservation Notes**

The following is a summary of the District's energy conservation notes outstanding at June 30, 2013:

	<u>Balance</u> <u>06/30/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/13</u>
<b>Energy Conservation Notes:</b>				
Current interest serial notes	\$ 1,250,000	\$ -	\$ (125,000)	\$ 1,125,000
Current interest term notes	850,000	-	-	850,000
Capital appreciation notes	80,000	-	-	80,000
Accreted interest	<u>4,257</u>	<u>8,148</u>	<u>-</u>	<u>12,405</u>
Total	<u>\$ 2,184,257</u>	<u>\$ 8,148</u>	<u>\$ (125,000)</u>	<u>\$ 2,067,405</u>

On November 9, 2011, the District issued \$2,180,000 in energy conservation notes for the purpose of purchasing and installing energy conservation measures. The debt issue is comprised of current interest serial notes (par value \$1,250,000), current interest term notes (par value \$850,000) and capital appreciation notes (par value \$80,000). The interest rate on the current interest serial notes is 2.00 percent and the interest rate on the current interest term notes ranges from 3.50-3.35 percent. The capital appreciation notes mature December 1, 2018 (approximate initial offering yield at maturity of 3.00 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation notes is \$140,000. Total accreted interest of \$12,405 has been included in the statement of net position.

Interest payments on the notes are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial notes, current interest term notes, and capital appreciation notes is December 1, 2021, December 1, 2026, and December 2018, respectively.

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

Current interest term notes (\$325,000) maturing on December 1, 2023:

<u>Fiscal Year</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
2023	\$ 160,000
2024	165,000

Current interest term bonds (\$525,000) maturing on December 1, 2026:

<u>Fiscal Year</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
2025	\$ 170,000
2026	175,000
2027	180,000

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the energy conservation notes.

<u>Year Ended</u>	<u>Current Interest Serial/Term Notes</u>			<u>Capital Appreciation Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 130,000	\$ 57,150	\$ 187,150	\$ -	\$ -	\$ -
2015	130,000	54,550	184,550	-	-	-
2016	135,000	51,900	186,900	-	-	-
2017	140,000	48,800	188,800	-	-	-
2018	-	47,050	47,050	80,000	60,000	140,000
2019 - 2023	750,000	179,518	929,518	-	-	-
2024 - 2027	690,000	47,191	737,191	-	-	-
<b>Total</b>	<b>\$ 1,975,000</b>	<b>\$ 486,159</b>	<b>\$ 2,461,159</b>	<b>\$ 80,000</b>	<b>\$ 60,000</b>	<b>\$ 140,000</b>

At June 30, 2013, the District had \$60,055 in unspent proceeds remaining on the note issuance.

**D. Other Long-Term Obligations**

Compensated absences

Compensated absences will be paid from the fund from which the person is paid, which, for governmental activities, is primarily the general fund and the food service fund (nonmajor special revenue fund).

Capital lease obligations

Refer to Note 11 to the notes to the basic financial statements for detail on the capital lease obligations.

Lease purchase agreement

Refer to Note 12 to the notes to the basic financial statements for detail on the lease purchase agreement.

**E. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)**

The Ohio Revised Code further provides that when a board of education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that district a “special needs” district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district’s assessed valuation. The Canal Winchester Local School District was determined to be a “special needs” district by the State Superintendent on October 14, 2004.

**NOTE 14 - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (11 and 12 months) are eligible for vacation time. The administrators accumulate vacation based upon the following schedule:

<u>Eleven Month Administrators</u>		<u>Twelve Month Administrators</u>	
Years Service	Vacation Days	Years Service	Vacation Days
0 - 15	15	0 - 15	20
16 - beyond	20	16 - beyond	25

One to ten days may be carried over per year without Board approval up to a total of thirty-five days. Additional days carried over require Board approval.

Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Classified employees may carry one to ten days over per year without Board approval to a total of twenty days. Additional days carried over require Board approval.

The classified personnel accumulate vacation based on the following schedule:

Years of Service	Vacation Days
0 - 5	10
6 - 10	12
11 - 15	15
16 - beyond	20

Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for all employees is 250 days.

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of ten consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of all accumulated sick leave credited to that employee up to forty-five days. Compensated absences are primarily paid from the general fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 14 - COMPENSATED ABSENCES - (Continued)**

For certified and classified employees, separation severance is paid to each employee upon resignation from the District at a per diem rate of the annual salary at the time of retirement if the employee has been employed by the District for a minimum of fifteen consecutive years at the time of retirement.

**NOTE 15 - RISK MANAGEMENT**

**A. Property and Liability**

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 the employees and natural disasters. During fiscal year 2013, the District has contracted with commercial carriers for property and general liability insurance.

The District maintains replacement cost insurance on buildings and contents of \$107,434,472. General liability insurance is maintained in the amount of \$6,000,000 for each occurrence and \$6,000,000 in the aggregate. The District maintains fleet insurance in the amount of \$6,000,000 for any one accident or loss and \$6,000,000 in the aggregate.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in insurance coverage from the prior year.

**B. Workers' Compensation**

For the period July 1, 2012 through December 31, 2012, the District participated in the SchoolComp Group Retrospective Rating Program (Group Retro). The intent of the Group Retro is to reward participants that are able to keep their individual claim costs below a predetermined amount. The District continues to pay their individual premium; however, the District will have the opportunity to receive retrospective premium adjustments (refunds or assessments) at the end of the three evaluation periods. The group's retrospective premium will be calculated at 12, 24, and 36 months after the end of the policy year. At the end of each period, the Bureau of Workers Comp (BWC) will take a snapshot of the incurred claims losses for the entire group and calculate the group's retrospective premium. If the retrospective premium that is calculated is less than the group's total standard premium, all the participants will receive a refund. However, if the retrospective premium is greater than the group's total standard premium, an assessment will be levied by the BWC. CompManagement, Inc. provides administrative, cost control and actuarial services to the Group Retro program.

For calendar year 2013, the District is participating in a Workers' Compensation Group Rating Plan (GRP). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 15 - RISK MANAGEMENT - (Continued)**

**C. Health Insurance**

The District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. During the period July 1, 2012 through June 1, 2013, the SCOIC contracted with the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), a risk sharing, claims servicing, and insurance purchasing pool, for medical, dental, and prescription drug coverage on a self-insured basis. OME-RESA contracted with Employees Benefits Management Corporation (EBMC) to service the claims of SCOIC members. Effective June 1, 2013, EBMC will service the claims of SCOIC members. The SCOIC members are considered self-insured and pay a monthly premium to OME-RESA/EBMC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays a dividend to the participants.

SCOIC members participated in the shared risk pool through OME-RESA for individual claims from \$100,000 to \$500,000. SCOIC members were then covered under stop loss coverage for claims over \$500,000. In the event that the District would withdraw from SCOIC, the District would be required to give 180 day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share any surplus funds of SCOIC. The SCOIC members were required to give a 30 day notice, be responsible for all run-out claims, and have no rights to share in any surplus funds of OME-RESA, upon withdrawal from OME-RESA. SCOIC will be staying with OME-RESA for stop-loss insurance through May 31, 2016.

A summary of changes in self-insurance claims for the fiscal years ended June 30, 2013 and June 30, 2012:

	<u>2013</u>	<u>2012</u>
Claim Liabilities at Beginning of Year	\$ 299,678	\$ 360,471
Incurred Claims	4,028,713	3,727,613
Claims Paid	<u>(4,057,836)</u>	<u>(3,788,406)</u>
Claim Liabilities at End of year	<u>\$ 270,555</u>	<u>\$ 299,678</u>

Vision benefits are provided through Vision Service Plan for \$11.75 per employee.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 16 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "*Employers/Audit Resources*".

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$516,579, \$552,666 and \$509,493, respectively; 89.91 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**B. State Teachers Retirement System of Ohio**

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org), under "*Publications*".

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - PENSION PLANS - (Continued)**

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor 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 - For fiscal year 2013, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$1,981,349, \$1,917,062 and \$2,061,140, respectively; 83.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$92,435 made by the District and \$66,025 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2013, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**NOTE 17 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Employers/Audit Resources".

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FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated 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 according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012 and 2011 were \$68,745, \$89,408 and \$126,013, respectively; 89.91 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$29,181, \$32,638 and \$32,787, respectively; 89.91 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**B. State Teachers Retirement System of Ohio**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$152,411, \$147,466 and \$158,549, respectively; 83.89 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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);
- (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) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) 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:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 1,723,546
Net adjustment for revenue accruals	50,492
Net adjustment for expenditure accruals	(18,695)
Net adjustment for other sources/uses	93,826
Funds budgeted elsewhere *	(103,551)
Adjustment for encumbrances	559,746
GAAP basis	<u>\$ 2,305,364</u>

\*Certain funds that are legally budgeted in separate special revenue and agency funds are considered part of the general fund on a GAAP basis. This includes the public school support fund and district agency retirement fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 19 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2013, if applicable, cannot be determined at this time.

**B. Litigation**

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

**NOTE 20 - SET-ASIDES**

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 June 30, 2012	\$ -
Current year set-aside requirement	600,116
Current year qualifying expenditures	(541,284)
Current year offsets	<u>(1,351,413)</u>
Total	<u>\$ (1,292,581)</u>
Balance carried forward to fiscal year 2014	<u>\$ -</u>
Set-aside balance June 30, 2013	<u>\$ -</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE 21 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 437,527
Other governmental	<u>456,854</u>
Total	<u>\$ 894,381</u>

**NOTE 22 - CONTRACTUAL COMMITMENTS**

At June 30, 2013, the District had contractual commitments outstanding related to an energy conservation project. The District contracted with Limbach Co., LLC in the amount of \$2,183,611, of which \$2,119,945 was paid through June 30, 2013.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**FUND DESCRIPTIONS - MAJOR FUNDS**

**General Fund**

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. The general funds's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

Since there is only one general fund and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

**Debt Service Fund**

A fund used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds payable, as required by Ohio Law.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Debt Service</b>				
Total Revenues and Other Sources	\$ 4,254,530	\$ 10,406,529	\$ 10,400,228	\$ (6,301)
Total Expenditures and Other Uses	<u>4,273,000</u>	<u>10,268,609</u>	<u>10,268,609</u>	<u>-</u>
Net Change in Fund Balances	(18,470)	137,920	131,619	(6,301)
Fund Balance at Beginning of Year	<u>1,525,812</u>	<u>1,525,812</u>	<u>1,525,812</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,507,342</u>	<u>\$ 1,663,732</u>	<u>\$ 1,657,431</u>	<u>\$ (6,301)</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds**

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

**Food Service Fund**

This fund is used to record financial transactions related to food service operations.

**Special Trust Fund**

This fund is used to account for trust agreements in which principal and income are used to support District programs.

**Endowment Fund**

This fund is used to account for endowments in which principal and income are used to support District programs.

**Other Grants Fund**

A fund provided to accounts for the proceeds of specific revenues sources, except for State and federal grants that are legally restricted to expenditures for specified purposes.

**Classroom Facilities Maintenance Fund**

A fund provided to account for proceeds for State Building Assistance repayment.

**District Managed Student Activities Fund**

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes the athletic programs and the drama program.

**Auxiliary Services Fund**

A fund provided to account for monies which provided services and materials to pupils attending non-public schools within the District.

**Data Communication Fund**

A fund provided to account for money for Ohio Educational Computer Network Connections.

**Education Jobs Fund**

This fund accounts for federal monies whose purpose is to create education jobs. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

**Race to the Top Fund**

A fund provided to account for federal funds received from the Race to the Top grant.

**IDEA, Part B Fund**

A fund which accounts for federal funds used to assist states in providing an appropriate public education to all children with disabilities.

**Title I School Improvement Fund**

A fund provided to account for monies used to help schools improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

**Nonmajor Special Revenue Funds (Continued)**

**Limited English Proficiency Fund**

This fund is used to account for Federal funds to provide educational services and to meet special education needs of non-English speaking children.

**Title I Disadvantaged Children Fund**

To account for funds which are to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs.

**IDEA Preschool - Handicapped Fund**

A fund which accounts for Federal funds used to support the Preschool Grant Program, Section 619 of Public Law 99 -457, that addresses the improvement and expansion of services for handicapped children ages three through five years.

**Improving Teacher Quality Fund**

A fund used to account for 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**

A fund provided to account for various monies received through state agencies from the federal government which are not classified elsewhere.

The following fund is included in the general fund (GAAP basis), but has a separate legally adopted budget (budget basis). This fund is not included in the combining statements for the nonmajor special revenue funds since it is reported in the general fund (GAAP basis); however, the budgetary schedule for this fund is presented in this section.

**Public School Support Fund**

A fund provided to account for special local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines) that are assigned to expenditures for specified purposes. Such expenditures may include curricular and extra-curricular related purchases.

**Nonmajor Capital Projects Funds**

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The nonmajor capital projects funds are :

**Permanent Improvement Fund**

To account for the acquisition, construction, or improvement of capital facilities.

**Building Fund**

To account for the acquisition and construction of capital facilities including real property.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 1,844,781	\$ 394,614	\$ 2,239,395
Receivables:			
Property taxes . . . . .	170,458	-	170,458
Accounts . . . . .	3,417	-	3,417
Intergovernmental . . . . .	184,244	-	184,244
Materials and supplies inventory . . . . .	14,138	-	14,138
Total assets . . . . .	\$ 2,217,038	\$ 394,614	\$ 2,611,652
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 55,198	\$ -	\$ 55,198
Contracts payable . . . . .	-	133,370	133,370
Accrued wages and benefits payable . . . . .	150,622	-	150,622
Pension obligation payable . . . . .	45,499	-	45,499
Intergovernmental payable . . . . .	6,290	-	6,290
Interfund loan payable . . . . .	184,244	-	184,244
Total liabilities . . . . .	441,853	133,370	575,223
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year . . . . .	114,327	-	114,327
Delinquent property tax revenue not available . . . . .	8,424	-	8,424
Intergovernmental revenue not available . . . . .	138,043	-	138,043
Total deferred inflows of resources . . . . .	260,794	-	260,794
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory . . . . .	14,138	-	14,138
Restricted:			
Capital improvements . . . . .	-	203,096	203,096
Classroom facilities maintenance . . . . .	1,026,631	-	1,026,631
Food service operations . . . . .	368,202	-	368,202
Non-public schools . . . . .	25,584	-	25,584
Special education . . . . .	8,926	-	8,926
Targeted academic assistance . . . . .	14,138	-	14,138
Extracurricular . . . . .	59,250	-	59,250
Other purposes . . . . .	91,751	-	91,751
Committed:			
Capital improvements . . . . .	-	58,148	58,148
Unassigned (deficit) . . . . .	(94,229)	-	(94,229)
Total fund balances . . . . .	1,514,391	261,244	1,775,635
Total liabilities, deferred inflows of resources and fund balances . . . . .	\$ 2,217,038	\$ 394,614	\$ 2,611,652

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 149,125	\$ -	\$ 149,125
Earnings on investments . . . . .	1,451	-	1,451
Charges for services . . . . .	647,616	-	647,616
Extracurricular . . . . .	273,955	-	273,955
Rental income . . . . .	1,750	-	1,750
Contributions and donations . . . . .	6,552	-	6,552
Other local revenues . . . . .	1,921	-	1,921
Intergovernmental - state . . . . .	410,523	-	410,523
Intergovernmental - federal . . . . .	1,719,601	-	1,719,601
Total revenues . . . . .	<u>3,212,494</u>	<u>-</u>	<u>3,212,494</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	326,364	-	326,364
Special . . . . .	369,212	-	369,212
Other . . . . .	302,156	-	302,156
Support services:			
Pupil . . . . .	174,967	-	174,967
Instructional staff . . . . .	277,473	-	277,473
Administration . . . . .	95,049	-	95,049
Fiscal . . . . .	26,390	-	26,390
Operations and maintenance . . . . .	18,451	-	18,451
Pupil transportation . . . . .	9,021	-	9,021
Central . . . . .	7,200	-	7,200
Operation of non-instructional services:			
Food service operations . . . . .	1,198,279	-	1,198,279
Extracurricular activities . . . . .	287,302	-	287,302
Facilities acquisition and construction . . . . .	-	1,026,015	1,026,015
Total expenditures . . . . .	<u>3,091,864</u>	<u>1,026,015</u>	<u>4,117,879</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>120,630</u>	<u>(1,026,015)</u>	<u>(905,385)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	3,611	3,611
Transfers (out) . . . . .	(750)	-	(750)
Total other financing sources (uses) . . . . .	<u>(750)</u>	<u>3,611</u>	<u>2,861</u>
Net change in fund balances . . . . .	119,880	(1,022,404)	(902,524)
<b>Fund balances at beginning of year . . . . .</b>	<u>1,394,511</u>	<u>1,283,648</u>	<u>2,678,159</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,514,391</u>	<u>\$ 261,244</u>	<u>\$ 1,775,635</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2013

	<u>Food Service</u>	<u>Special Trust</u>	<u>Endowment</u>	<u>Other Grants</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 401,642	\$ 11,907	\$ 5,096	\$ 111,542
Receivables:				
Property taxes . . . . .	-	-	-	-
Accounts. . . . .	1,490	-	-	1,500
Intergovernmental. . . . .	-	-	-	-
Materials and supplies inventory . . . . .	14,138	-	-	-
Total assets. . . . .	<u>\$ 417,270</u>	<u>\$ 11,907</u>	<u>\$ 5,096</u>	<u>\$ 113,042</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ -	\$ -	\$ 38,294
Accrued wages and benefits payable. . . . .	9,671	-	-	-
Pension obligation payable . . . . .	25,058	-	-	-
Intergovernmental payable. . . . .	201	-	-	-
Interfund loan payable . . . . .	-	-	-	-
Total liabilities. . . . .	<u>34,930</u>	<u>-</u>	<u>-</u>	<u>38,294</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	14,138	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	-
Food service operations. . . . .	368,202	-	-	-
Non-public schools . . . . .	-	-	-	-
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Other purposes . . . . .	-	11,907	5,096	74,748
Unassigned (deficit). . . . .	-	-	-	-
Total fund balances. . . . .	<u>382,340</u>	<u>11,907</u>	<u>5,096</u>	<u>74,748</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 417,270</u>	<u>\$ 11,907</u>	<u>\$ 5,096</u>	<u>\$ 113,042</u>

<b>Classroom Facilities Maintenance</b>	<b>District Managed Student Activities</b>	<b>Auxiliary Services</b>	<b>Race to the Top</b>	<b>IDEA, Part B</b>	<b>Title I School Improvement</b>
\$ 995,778	\$ 58,823	\$ 61,856	\$ 14,225	\$ 64,684	\$ 19,039
170,458	-	-	-	-	-
-	427	-	-	-	-
-	-	-	20,611	46,201	4,282
-	-	-	-	-	-
<u>\$ 1,166,236</u>	<u>\$ 59,250</u>	<u>\$ 61,856</u>	<u>\$ 34,836</u>	<u>\$ 110,885</u>	<u>\$ 23,321</u>
\$ 16,854	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	30,732	-	46,713	538
-	-	4,266	-	7,192	406
-	-	1,274	285	1,853	267
-	-	-	20,611	46,201	4,282
<u>16,854</u>	<u>-</u>	<u>36,272</u>	<u>20,896</u>	<u>101,959</u>	<u>5,493</u>
114,327	-	-	-	-	-
8,424	-	-	-	-	-
-	-	-	20,611	-	4,282
<u>122,751</u>	<u>-</u>	<u>-</u>	<u>20,611</u>	<u>-</u>	<u>4,282</u>
-	-	-	-	-	-
1,026,631	-	-	-	-	-
-	-	25,584	-	-	-
-	-	-	-	8,926	-
-	-	-	-	-	13,546
-	59,250	-	-	-	-
-	-	-	-	-	-
-	-	-	(6,671)	-	-
<u>1,026,631</u>	<u>59,250</u>	<u>25,584</u>	<u>(6,671)</u>	<u>8,926</u>	<u>13,546</u>
<u>\$ 1,166,236</u>	<u>\$ 59,250</u>	<u>\$ 61,856</u>	<u>\$ 34,836</u>	<u>\$ 110,885</u>	<u>\$ 23,321</u>

-- (Continued)

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2013

	<b>Limited English Proficiency</b>	<b>Title I Disadvantaged Children</b>	<b>IDEA Preschool - Handicapped</b>	<b>Improving Teacher Quality</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 24,425	\$ 67,854	\$ 3,779	\$ 4,131
Receivables:				
Property taxes . . . . .	-	-	-	-
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	24,534	81,298	3,779	3,539
Materials and supplies inventory . . . . .	-	-	-	-
Total assets. . . . .	<u>\$ 48,959</u>	<u>\$ 149,152</u>	<u>\$ 7,558</u>	<u>\$ 7,670</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 50	\$ -	\$ -	\$ -
Accrued wages and benefits payable. . . . .	1,326	61,642	-	-
Pension obligation payable . . . . .	200	8,377	-	-
Intergovernmental payable. . . . .	29	2,381	-	-
Interfund loan payable . . . . .	24,534	81,298	3,779	3,539
Total liabilities. . . . .	<u>26,139</u>	<u>153,698</u>	<u>3,779</u>	<u>3,539</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available . . . . .	-	-	-	-
Intergovernmental revenue not available . . . . .	24,534	81,298	3,779	3,539
Total deferred inflows of resources . . . . .	<u>24,534</u>	<u>81,298</u>	<u>3,779</u>	<u>3,539</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	-
Food service operations. . . . .	-	-	-	-
Non-public schools . . . . .	-	-	-	-
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	592
Extracurricular . . . . .	-	-	-	-
Other purposes . . . . .	-	-	-	-
Unassigned (deficit). . . . .	<u>(1,714)</u>	<u>(85,844)</u>	<u>-</u>	<u>-</u>
Total fund balances. . . . .	<u>(1,714)</u>	<u>(85,844)</u>	<u>-</u>	<u>592</u>
Total liabilities, deferred inflows of resources and fund balances . . . . .	<u>\$ 48,959</u>	<u>\$ 149,152</u>	<u>\$ 7,558</u>	<u>\$ 7,670</u>

**Total  
Nonmajor  
Special Revenue  
Funds**

---

\$ 1,844,781

170,458

3,417

184,244

14,138

---

\$ 2,217,038

---

\$ 55,198

150,622

45,499

6,290

184,244

---

441,853

---

114,327

8,424

138,043

---

260,794

---

14,138

1,026,631

368,202

25,584

8,926

14,138

59,250

91,751

(94,229)

---

1,514,391

---

\$ 2,217,038

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Service</u>	<u>Special Trust</u>	<u>Endowment</u>	<u>Other Grants</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	1,290	19	8	-
Charges for services . . . . .	647,616	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	1,750
Contributions and donations . . . . .	-	4,500	-	-
Other local revenues . . . . .	1,921	-	-	-
Intergovernmental - state . . . . .	11,021	-	-	63,640
Intergovernmental - federal . . . . .	597,962	-	-	-
Total revenues . . . . .	<u>1,259,810</u>	<u>4,519</u>	<u>8</u>	<u>65,390</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	5,645	-	42,753
Special . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	1,198,279	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Total expenditures . . . . .	<u>1,198,279</u>	<u>5,645</u>	<u>-</u>	<u>42,753</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>61,531</u>	<u>(1,126)</u>	<u>8</u>	<u>22,637</u>
<b>Other financing (uses):</b>				
Transfers (out) . . . . .	-	-	-	-
Total other financing (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	61,531	(1,126)	8	22,637
<b>Fund balances at beginning of year . . . . .</b>	<u>320,809</u>	<u>13,033</u>	<u>5,088</u>	<u>52,111</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 382,340</u>	<u>\$ 11,907</u>	<u>\$ 5,096</u>	<u>\$ 74,748</u>

<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Data Communication</u>	<u>Race to the Top</u>	<u>IDEA, Part B</u>
\$ 149,125	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	134	-	-	-
-	-	-	-	-	-
-	273,955	-	-	-	-
-	-	-	-	-	-
-	2,052	-	-	-	-
-	-	-	-	-	-
19,211	-	309,451	7,200	-	-
-	-	-	-	43,838	550,060
<u>168,336</u>	<u>276,007</u>	<u>309,585</u>	<u>7,200</u>	<u>43,838</u>	<u>550,060</u>
-	1,309	41,437	-	3,018	36,240
-	-	146,727	-	-	207,830
-	-	-	-	-	-
-	-	94,306	-	-	80,661
-	-	-	-	48,288	133,113
-	-	-	-	-	95,049
2,476	-	23,914	-	-	-
18,451	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,200	-	-
-	-	-	-	-	-
-	287,302	-	-	-	-
<u>20,927</u>	<u>288,611</u>	<u>306,384</u>	<u>7,200</u>	<u>51,306</u>	<u>552,893</u>
<u>147,409</u>	<u>(12,604)</u>	<u>3,201</u>	<u>-</u>	<u>(7,468)</u>	<u>(2,833)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
147,409	(12,604)	3,201	-	(7,468)	(2,833)
879,222	71,854	22,383	-	797	11,759
<u>\$ 1,026,631</u>	<u>\$ 59,250</u>	<u>\$ 25,584</u>	<u>\$ -</u>	<u>\$ (6,671)</u>	<u>\$ 8,926</u>

-- (Continued)

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Title I School Improvement</b>	<b>Limited English Proficiency</b>	<b>Title I Disadvantaged Children</b>	<b>IDEA Preschool - Handicapped</b>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	53,468	10,291	415,488	3,009
Total revenues . . . . .	53,468	10,291	415,488	3,009
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	12,730	-	183,232	-
Special . . . . .	-	11,646	-	3,009
Other . . . . .	32,839	-	269,317	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	1,496	50,433	-
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	1,447	-	7,574	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Total expenditures . . . . .	47,016	13,142	510,556	3,009
Excess (deficiency) of revenues over (under) expenditures . . . . .	6,452	(2,851)	(95,068)	-
<b>Other financing (uses):</b>				
Transfers (out) . . . . .	-	-	-	-
Total other financing (uses) . . . . .	-	-	-	-
Net change in fund balances . . . . .	6,452	(2,851)	(95,068)	-
<b>Fund balances at beginning of year . . . . .</b>	7,094	1,137	9,224	-
<b>Fund balances (deficits) at end of year . . . . .</b>	\$ 13,546	\$ (1,714)	\$ (85,844)	\$ -

<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 149,125
-	-	1,451
-	-	647,616
-	-	273,955
-	-	1,750
-	-	6,552
-	-	1,921
-	-	410,523
44,735	750	1,719,601
44,735	750	3,212,494
-	-	326,364
-	-	369,212
-	-	302,156
-	-	174,967
44,143	-	277,473
-	-	95,049
-	-	26,390
-	-	18,451
-	-	9,021
-	-	7,200
-	-	1,198,279
-	-	287,302
44,143	-	3,091,864
592	750	120,630
-	(750)	(750)
-	(750)	(750)
592	-	119,880
-	-	1,394,511
\$ 592	\$ -	\$ 1,514,391

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2013

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 330,948	\$ 63,666	\$ 394,614
Total assets. . . . .	\$ 330,948	\$ 63,666	\$ 394,614
<b>Liabilities:</b>			
Contracts payable. . . . .	\$ 133,370	\$ -	\$ 133,370
Total liabilities. . . . .	133,370	-	133,370
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	139,430	63,666	203,096
Committed:			
Capital improvements . . . . .	58,148	-	58,148
Total fund balances . . . . .	197,578	63,666	261,244
Total liabilities and fund balances. . . . .	\$ 330,948	\$ 63,666	\$ 394,614

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Expenditures:</b>			
Current:			
Support services:			
Facilities acquisition and construction. . . . .	\$ 133,370	\$ 892,645	\$ 1,026,015
Total expenditures. . . . .	133,370	892,645	1,026,015
Excess of expenditures under revenues . . . . .	(133,370)	(892,645)	(1,026,015)
<b>Other financing sources:</b>			
Transfers in . . . . .	-	3,611	3,611
Total other financing sources . . . . .	-	3,611	3,611
Net change in fund balances. . . . .	(133,370)	(889,034)	(1,022,404)
<b>Fund balances at beginning of year. . . . .</b>	330,948	952,700	1,283,648
<b>Fund balances at end of year . . . . .</b>	\$ 197,578	\$ 63,666	\$ 261,244

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Service</b>				
Total Revenues and Other Sources	\$ 1,188,000	\$ 1,188,000	\$ 1,193,668	\$ 5,668
Total Expenditures and Other Uses	<u>1,222,927</u>	<u>1,420,113</u>	<u>1,384,719</u>	<u>35,394</u>
Net Change in Fund Balance	(34,927)	(232,113)	(191,051)	41,062
Fund Balance at Beginning of Year	331,240	331,240	331,240	-
Prior Year Encumbrances Appropriated	<u>24,794</u>	<u>24,794</u>	<u>24,794</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 321,107</u>	<u>\$ 123,921</u>	<u>\$ 164,983</u>	<u>\$ 41,062</u>
<b>Special Trust</b>				
Total Revenues and Other Sources	\$ 4,550	\$ 4,515	\$ 4,519	\$ 4
Total Expenditures and Other Uses	<u>500</u>	<u>5,645</u>	<u>5,645</u>	<u>-</u>
Net Change in Fund Balance	4,050	(1,130)	(1,126)	4
Fund Balance at Beginning of Year	<u>13,033</u>	<u>13,033</u>	<u>13,033</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,083</u>	<u>\$ 11,903</u>	<u>\$ 11,907</u>	<u>\$ 4</u>
<b>Endowment</b>				
Total Revenues and Other Sources	\$ 10	\$ 8	\$ 8	\$ -
Total Expenditures and Other Uses	<u>90</u>	<u>90</u>	<u>-</u>	<u>90</u>
Net Change in Fund Balance	(80)	(82)	8	90
Fund Balance at Beginning of Year	<u>5,088</u>	<u>5,088</u>	<u>5,088</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,008</u>	<u>\$ 5,006</u>	<u>\$ 5,096</u>	<u>\$ 90</u>
<b>Other Grants</b>				
Total Revenues and Other Sources	\$ 55,000	\$ 63,899	\$ 63,890	\$ (9)
Total Expenditures and Other Uses	<u>45,385</u>	<u>112,384</u>	<u>48,279</u>	<u>64,105</u>
Net Change in Fund Balance	9,615	(48,485)	15,611	64,096
Fund Balance at Beginning of Year	48,786	48,786	48,786	-
Prior Year Encumbrances Appropriated	<u>3,325</u>	<u>3,325</u>	<u>3,325</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 61,726</u>	<u>\$ 3,626</u>	<u>\$ 67,722</u>	<u>\$ 64,096</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Classroom Facilities Maintenance</b>				
Total Revenues and Other Sources	\$ 177,814	\$ 177,814	\$ 168,330	\$ (9,484)
Total Expenditures and Other Uses	<u>1,009,100</u>	<u>1,009,100</u>	<u>64,307</u>	<u>944,793</u>
Net Change in Fund Balance	(831,286)	(831,286)	104,023	935,309
Fund Balance at Beginning of Year	<u>831,521</u>	<u>831,521</u>	<u>831,521</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 235</u>	<u>\$ 235</u>	<u>\$ 935,544</u>	<u>\$ 935,309</u>
<b>District Managed Student Activities</b>				
Total Revenues and Other Sources	\$ 275,000	\$ 281,678	\$ 278,678	\$ (3,000)
Total Expenditures and Other Uses	<u>98,853</u>	<u>348,400</u>	<u>301,082</u>	<u>47,318</u>
Net Change in Fund Balance	176,147	(66,722)	(22,404)	44,318
Fund Balance at Beginning of Year	58,723	58,723	58,723	-
Prior Year Encumbrances Appropriated	<u>10,999</u>	<u>10,999</u>	<u>10,999</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 245,869</u>	<u>\$ 3,000</u>	<u>\$ 47,318</u>	<u>\$ 44,318</u>
<b>Auxiliary Services</b>				
Total Revenues and Other Sources	\$ 288,000	\$ 315,666	\$ 315,666	\$ -
Total Expenditures and Other Uses	<u>328,528</u>	<u>361,144</u>	<u>317,566</u>	<u>43,578</u>
Net Change in Fund Balance	(40,528)	(45,478)	(1,900)	43,578
Fund Balance at Beginning of Year	42,908	42,908	42,908	-
Prior Year Encumbrances Appropriated	<u>2,591</u>	<u>2,591</u>	<u>2,591</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,971</u>	<u>\$ 21</u>	<u>\$ 43,599</u>	<u>\$ 43,578</u>
<b>Data Communication</b>				
Total Revenues and Other Sources	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net Change in Fund Balance	7,200	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Education Jobs</b>				
Total Revenues and Other Sources	\$ 101,805	\$ 107,661	\$ 107,661	\$ -
Total Expenditures and Other Uses	<u>101,805</u>	<u>107,661</u>	<u>107,661</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Race to the Top</b>				
Total Revenues and Other Sources	\$ 36,950	\$ 65,245	\$ 65,245	\$ -
Total Expenditures and Other Uses	<u>20,678</u>	<u>66,251</u>	<u>52,026</u>	<u>14,225</u>
Net Change in Fund Balance	16,272	(1,006)	13,219	14,225
Fund Balance at Beginning of Year	796	796	796	-
Prior Year Encumbrances Appropriated	<u>210</u>	<u>210</u>	<u>210</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 17,278</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,225</u></u>	<u><u>\$ 14,225</u></u>
<b>IDEA, Part B</b>				
Total Revenues and Other Sources	\$ 654,124	\$ 654,530	\$ 654,530	\$ -
Total Expenditures and Other Uses	<u>607,850</u>	<u>714,951</u>	<u>650,475</u>	<u>64,476</u>
Net Change in Fund Balances	46,274	(60,421)	4,055	64,476
Fund Balance at Beginning of Year	58,644	58,644	58,644	-
Prior Year Encumbrances Appropriated	<u>1,777</u>	<u>1,777</u>	<u>1,777</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 106,695</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,476</u></u>	<u><u>\$ 64,476</u></u>
<b>Title I School Improvement</b>				
Total Revenues and Other Sources	\$ 7,446	\$ 58,239	\$ 58,239	\$ -
Total Expenditures and Other Uses	<u>15,351</u>	<u>73,590</u>	<u>54,551</u>	<u>19,039</u>
Net Change in Fund Balances	(7,905)	(15,351)	3,688	19,039
Fund Balance at Beginning of Year	15,095	15,095	15,095	-
Prior Year Encumbrances Appropriated	<u>256</u>	<u>256</u>	<u>256</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 7,446</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,039</u></u>	<u><u>\$ 19,039</u></u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Limited English Proficiency</b>				
Total Revenues and Other Sources	\$ 35,603	\$ 35,603	\$ 35,603	\$ -
Total Expenditures and Other Uses	35,962	53,115	28,740	24,375
Net Change in Fund Balance	(359)	(17,512)	6,863	24,375
Fund Balance at Beginning of Year	16,375	16,375	16,375	-
Prior Year Encumbrances Appropriated	1,137	1,137	1,137	-
Fund Balance at End of Year	<u>\$ 17,153</u>	<u>\$ -</u>	<u>\$ 24,375</u>	<u>\$ 24,375</u>
<b>Title I Disadvantaged Children</b>				
Total Revenues and Other Sources	\$ 531,624	\$ 528,031	\$ 528,031	\$ -
Total Expenditures and Other Uses	545,886	614,897	547,043	67,854
Net Change in Fund Balance	(14,262)	(86,866)	(19,012)	67,854
Fund Balance at Beginning of Year	73,749	73,749	73,749	-
Prior Year Encumbrances Appropriated	13,117	13,117	13,117	-
Fund Balance at End of Year	<u>\$ 72,604</u>	<u>\$ -</u>	<u>\$ 67,854</u>	<u>\$ 67,854</u>
<b>IDEA Preschool - Handicapped</b>				
Total Revenues and Other Sources	\$ 6,788	\$ 6,788	\$ 6,788	\$ -
Total Expenditures and Other Uses	6,788	8,201	4,422	3,779
Net Change in Fund Balances	-	(1,413)	2,366	3,779
Fund Balance at Beginning of Year	1,413	1,413	1,413	-
Fund Balance at End of Year	<u>\$ 1,413</u>	<u>\$ -</u>	<u>\$ 3,779</u>	<u>\$ 3,779</u>
<b>Improving Teacher Quality</b>				
Total Revenues and Other Sources	\$ 48,932	\$ 48,274	\$ 48,274	\$ -
Total Expenditures and Other Uses	43,932	51,410	47,952	3,458
Net Change in Fund Balances	5,000	(3,136)	322	3,458
Fund Balance at Beginning of Year	3,136	3,136	3,136	-
Fund Balance at End of Year	<u>\$ 8,136</u>	<u>\$ -</u>	<u>\$ 3,458</u>	<u>\$ 3,458</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$ -	\$ 750	\$ 750	\$ -
Total Expenditures and Other Uses	-	750	750	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 120,000	\$ 96,676	\$ 93,693	\$ (2,983)
Total Expenditures and Other Uses	67,000	133,246	101,270	31,976
Net Change in Fund Balances	53,000	(36,570)	(7,577)	28,993
Fund Balance at Beginning of Year	34,533	34,533	34,533	-
Fund Balance at End of Year	<u>\$ 92,552</u>	<u>\$ 2,982</u>	<u>\$ 31,975</u>	<u>\$ 28,993</u>
<b>Permanent Improvement</b>				
Total Expenditures and Other Uses	\$ 330,948	\$ 330,948	\$ 210,080	\$ 120,868
Net Change in Fund Balances	(330,948)	(330,948)	(210,080)	120,868
Fund Balance at Beginning of Year	330,948	330,948	330,948	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,868</u>	<u>\$ 120,868</u>
<b>Building</b>				
Total Revenues and Other Sources	\$ -	\$ 3,611	\$ 3,611	\$ -
Total Expenditures and Other Uses	1,250,673	1,246,749	1,246,749	-
Net Change in Fund Balance	(1,250,673)	(1,243,138)	(1,243,138)	-
Fund Balance at Beginning of Year	(3,611)	(3,611)	(3,611)	-
Prior Year Encumbrances Appropriated	1,246,749	1,246,749	1,246,749	-
Fund Balance (Deficit) at End of Year	<u>\$ (7,535)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

FUND DESCRIPTION - INTERNAL SERVICE FUND

**Internal Service Fund**

The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis.

**Employee Benefits Self-Insurance Fund**

The District's internal service fund accounts for the health, medical, prescription drug, and dental self-insurance program.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Employee Benefits Self-Insurance</b>				
Total Revenues and Nonoperating Revenues	\$ 4,100,000	\$ 4,099,500	\$ 4,112,006	\$ 12,506
Total Expenses and Nonoperating Expenses	<u>3,896,000</u>	<u>4,106,800</u>	<u>4,106,800</u>	<u>-</u>
Net Change in Fund Balance	204,000	(7,300)	5,206	12,506
Fund Balance at Beginning of Year	<u>192,904</u>	<u>192,904</u>	<u>192,904</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 396,904</u>	<u>\$ 185,604</u>	<u>\$ 198,110</u>	<u>\$ 12,506</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**FUND DESCRIPTION - FIDUCIARY FUND**

**Fiduciary Fund**

The agency fund is used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

**Agency Fund**

**Student Activity Fund**

An agency fund provided 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 fund typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<b>Beginning Balance <u>July 1, 2012</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Ending Balance <u>June 30, 2013</u></b>
<b>Student Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 31,895	\$ 63,598	\$ 60,257	\$ 35,236
Total assets . . . . .	<u>\$ 31,895</u>	<u>\$ 63,598</u>	<u>\$ 60,257</u>	<u>\$ 35,236</u>
<b>Liabilities:</b>				
Due to students . . . . .	\$ 31,895	\$ 63,598	\$ 60,257	\$ 35,236
Total liabilities. . . . .	<u>\$ 31,895</u>	<u>\$ 63,598</u>	<u>\$ 60,257</u>	<u>\$ 35,236</u>



## STATISTICAL SECTION

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

STATISTICAL SECTION

This part of the Canal Winchester Local 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> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>110-123</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>124-129</b>
<b>Debt Capacity</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>130-134</b>
<b>Demographic and Economic Information</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>135-136</b>
<b>Operating Information</b> These schedules contain service and infrastructure 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.	<b>138-149</b>

**Sources:** Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 7,861,374	\$ 6,648,924	\$ 6,298,927	\$ 5,650,573
Restricted	1,999,758	4,488,963	4,511,058	4,434,011
Unrestricted (deficit)	14,165,040	9,724,105	8,843,170	6,561,256
Total governmental activities net position	<u>\$ 24,026,172</u>	<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,645,840</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 102,815
Unrestricted (deficit)	-	-	-	97,606
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,421</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 7,861,374	\$ 6,648,924	\$ 6,298,927	\$ 5,753,388
Restricted	1,999,758	4,488,963	4,511,058	4,434,011
Unrestricted (deficit)	14,165,040	9,724,105	8,843,170	6,658,862
Total primary government net position	<u>\$ 24,026,172</u>	<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,846,261</u>

**Source:** School District financial records.

- (A) Net assets of the governmental and business-type activities were restated at June 30, 2011.  
 (B) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.  
 Amounts for 2012 have been restated to reflect the implementation of GASB Statement No. 65.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 5,298,003	\$ 6,026,176	\$ 4,775,378	\$ 10,098,353	\$ 8,963,598	\$ 9,737,739
4,590,798	4,416,107	5,870,893	4,594,310	4,874,151	597,954
4,056,500	4,165,521	4,082,981	(7,055)	903,524	3,400,953
<u>\$ 13,945,301</u>	<u>\$ 14,607,804</u>	<u>\$ 14,729,252</u>	<u>\$ 14,685,608</u>	<u>\$ 14,741,273</u>	<u>\$ 13,736,646</u>
\$ 115,250	\$ 127,684	\$ 140,118	\$ 152,552	\$ 168,326	\$ 145,085
16,651	(1,531)	(4,834)	(4,865)	(8,192)	23,350
<u>\$ 131,901</u>	<u>\$ 126,153</u>	<u>\$ 135,284</u>	<u>\$ 147,687</u>	<u>\$ 160,134</u>	<u>\$ 168,435</u>
\$ 5,413,253	\$ 6,153,860	\$ 4,915,496	\$ 10,250,905	\$ 9,131,924	\$ 9,882,824
4,590,798	4,416,107	5,870,893	4,594,310	4,874,151	597,954
4,073,151	4,163,990	4,078,147	(11,920)	895,332	3,424,303
<u>\$ 14,077,202</u>	<u>\$ 14,733,957</u>	<u>\$ 14,864,536</u>	<u>\$ 14,833,295</u>	<u>\$ 14,901,407</u>	<u>\$ 13,905,081</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 16,024,742	\$ 15,637,136	\$ 16,452,249	\$ 15,278,518
Special	3,801,713	3,710,163	4,023,824	3,800,772
Vocational	403,755	413,484	475,595	626,461
Other instructional	401,132	312,101	410,222	1,064
Support services:				
Pupil	1,880,776	1,910,469	2,156,770	2,051,878
Instructional staff	1,135,974	1,280,192	1,766,319	1,800,144
Board of education	253,599	150,839	170,357	368,594
Administration	2,887,717	2,768,846	2,902,533	2,716,355
Fiscal	921,473	907,327	933,943	795,708
Business	9,244	-	-	-
Operations and maintenance	3,614,353	4,033,281	4,439,809	3,932,395
Pupil transportation	2,499,073	2,593,268	2,643,485	2,406,878
Central	417,836	263,107	366,207	214,195
Community services	-	-	-	-
Operation of non-instructional services	366,315	216,305	18,912	18,912
Food service operations	1,216,080	1,185,011	1,143,055	-
Extracurricular activities	895,645	895,730	1,009,434	929,787
Interest and fiscal charges	2,938,706	3,108,519	3,036,205	3,045,818
Bond issuance costs	123,891	-	-	-
Total governmental activities expenses	<u>39,792,024</u>	<u>39,385,778</u>	<u>41,948,919</u>	<u>37,987,479</u>
Business-type activities:				
Food service	-	-	-	1,202,060
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,202,060</u>
Total primary government expenses	<u>\$ 39,792,024</u>	<u>\$ 39,385,778</u>	<u>\$ 41,948,919</u>	<u>\$ 39,189,539</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	14,640,159	\$ 14,094,895	\$ 13,283,902	\$ 12,715,496	\$ 10,392,296	\$ 10,249,023
	4,350,332	3,829,334	3,436,158	2,997,339	2,482,555	2,378,335
	715,563	677,326	757,157	754,739	543,558	653,501
	69,882	29,262	-	9,022	245	-
	1,656,026	1,634,654	1,754,234	1,496,898	1,287,506	932,198
	1,348,514	1,427,339	1,542,238	1,312,801	1,081,519	1,295,641
	340,736	438,621	368,549	56,227	322,761	504,061
	2,590,566	2,594,498	2,602,420	2,089,593	1,957,134	1,954,977
	720,482	780,005	685,035	684,915	549,882	639,375
	-	-	-	-	-	-
	3,713,631	2,505,978	3,107,452	2,695,034	2,670,485	2,324,584
	2,138,885	2,174,086	2,564,378	2,177,511	1,549,372	1,539,348
	204,754	212,299	193,501	316,936	294,257	140,795
	-	-	-	-	-	16,739
	18,912	16,492	14,478	14,478	14,478	399,265
	-	-	-	-	-	-
	977,461	1,082,402	1,003,199	907,432	873,926	868,206
	3,021,730	3,146,362	2,597,257	3,359,091	1,821,515	1,648,809
	-	-	-	-	-	-
	<u>36,507,633</u>	<u>34,643,553</u>	<u>33,909,958</u>	<u>31,587,512</u>	<u>25,841,489</u>	<u>25,544,857</u>
	<u>1,199,332</u>	<u>1,012,678</u>	<u>847,783</u>	<u>835,618</u>	<u>789,019</u>	<u>691,821</u>
	<u>1,199,332</u>	<u>1,012,678</u>	<u>847,783</u>	<u>835,618</u>	<u>789,019</u>	<u>691,821</u>
\$	<u><u>37,706,965</u></u>	<u><u>35,656,231</u></u>	<u><u>34,757,741</u></u>	<u><u>32,423,130</u></u>	<u><u>26,630,508</u></u>	<u><u>26,236,678</u></u>

- - Continued

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 305,795	\$ 298,250	\$ 297,258	\$ 304,546
Special	32,056	53,750	28,158	40,721
Support services:				
Administration	-	-	-	-
Operations and maintenance	93,509	69,843	67,623	68,405
Pupil transportation	63,032	55,534	85,064	-
Operation of non-instructional services	-	-	-	-
Food service operations	647,616	659,750	725,065	-
Extracurricular activities	638,614	673,614	582,815	530,235
Operating grants and contributions:				
Instruction:				
Regular	322,947	251,895	1,479,421	639,182
Special	1,591,557	1,556,394	1,779,573	1,124,515
Vocational	186,301	186,301	186,301	184,914
Other instructional	270,474	160,007	182,456	-
Support services:				
Pupil	175,155	139,148	195,216	247,860
Instructional staff	265,184	251,516	362,842	356,372
Administration	94,110	202,695	652,679	525,559
Fiscal	24,164	-	12,314	30,317
Operations and maintenance	-	11,141	-	-
Pupil transportation	8,172	-	-	-
Central	7,200	7,200	14,100	9,145
Operation of non-instructional services	-	-	-	-
Food service operations	612,194	572,119	540,936	-
Extracurricular activities	2,043	398	7,100	34,081
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Support services:				
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>5,340,123</u>	<u>5,149,555</u>	<u>7,198,921</u>	<u>4,095,852</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	742,323
Operating grants and contributions	-	-	-	528,128
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270,451</u>
Total primary government program revenue	<u>\$ 5,340,123</u>	<u>\$ 5,149,555</u>	<u>\$ 7,198,921</u>	<u>\$ 5,366,303</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (34,451,901)	\$ (34,236,223)	\$ (34,749,998)	\$ (33,891,627)
Business-type activities	-	-	-	68,391
Total primary government net expense	<u>\$ (34,451,901)</u>	<u>\$ (34,236,223)</u>	<u>\$ (34,749,998)</u>	<u>\$ (33,823,236)</u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	291,211	\$ 407,765	\$ 304,761	\$ 270,865	\$ 229,280	\$ 45,850
	8,950	12,885	-	-	-	-
	-	-	-	-	-	153,944
	106,409	46,556	35,842	42,440	-	-
	-	-	58,978	93,547	86,474	55,549
	-	-	-	-	46,524	-
	543,283	553,764	475,891	447,150	465,170	563,840
	281,592	110,480	154,905	301,193	289,764	491,967
	1,635,585	1,381,966	1,250,221	378,036	385,596	448,514
	183,504	158,830	144,108	-	987	-
	46,971	51,721	-	8,983	-	-
	430,040	337,389	556,164	462,209	356,576	-
	203,567	265,619	351,403	215,143	123,955	92,603
	16,571	101,641	86,001	61,727	54,004	-
	-	15,420	12,864	9,926	14,607	9,406
	-	-	-	-	-	-
	5,599	-	82,159	-	-	-
	12,000	12,000	15,000	15,000	15,000	15,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	17,971	31,502	30,151	-	-	-
	-	203,326	17,794	1,100,256	21,210	-
	27,039	14,127	19,741	-	-	-
	<u>3,810,292</u>	<u>3,704,991</u>	<u>3,595,983</u>	<u>3,406,475</u>	<u>2,089,147</u>	<u>1,876,673</u>
	762,792	664,450	556,975	536,729	499,046	500,679
	441,850	335,993	270,912	268,127	244,338	144,127
	<u>1,204,642</u>	<u>1,000,443</u>	<u>827,887</u>	<u>804,856</u>	<u>743,384</u>	<u>644,806</u>
\$	<u>5,014,934</u>	<u>4,705,434</u>	<u>4,423,870</u>	<u>4,211,331</u>	<u>2,832,531</u>	<u>2,521,479</u>
\$	(32,697,341)	\$ (30,938,562)	\$ (30,313,975)	\$ (28,181,037)	\$ (23,752,342)	\$ (23,668,184)
	5,310	(12,235)	(19,896)	(30,762)	(45,635)	(47,015)
\$	<u>(32,692,031)</u>	<u>(30,950,797)</u>	<u>(30,333,871)</u>	<u>(28,211,799)</u>	<u>(23,797,977)</u>	<u>(23,715,199)</u>

- - Continued

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 14,512,634	\$ 14,635,011	\$ 15,252,942	\$ 14,625,495
Facilities maintenance	147,404	147,824	147,371	154,578
Debt service	3,740,086	3,608,044	3,350,737	3,363,747
Income taxes levied for:				
General purposes	3,636,920	3,179,827	3,911,298	2,968,716
Payment in lieu of taxes	248,668	244,242	454,264	-
Grants and entitlements not restricted to specific programs	14,452,698	14,332,282	14,318,122	15,169,153
Investment earnings	37,645	34,728	28,396	49,898
Win-win settlement	641,170	-	-	-
Miscellaneous	198,856	103,394	93,762	260,579
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>37,616,081</u>	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,166</u>
Special Item:				
Loss on sale of capital assets	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities and special item	<u>37,616,081</u>	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,166</u>
Business-type activities:				
Investment earnings	-	-	-	129
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>129</u>
Total primary government	<u>\$ 37,616,081</u>	<u>\$ 36,285,352</u>	<u>\$ 37,556,892</u>	<u>\$ 36,592,295</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 3,164,180	\$ 2,049,129	\$ 2,806,894	\$ 2,700,539
Business-type activities	-	-	-	68,520
Total primary government	<u>\$ 3,164,180</u>	<u>\$ 2,049,129</u>	<u>\$ 2,806,894</u>	<u>\$ 2,769,059</u>

**Source:** School District financial records.

(A) Net assets of the governmental and business-type activities were restated at June 30, 2011.

(B) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	10,272,099	\$ 10,189,506	\$ 10,532,539	\$ 10,119,284	\$ 10,295,135	\$ 11,687,797
	156,073	149,322	158,746	148,806	139,588	-
	3,609,054	2,804,515	2,934,747	2,689,404	2,278,872	2,369,953
	3,096,276	3,197,358	3,225,064	2,604,518	2,352,160	-
	-	-	-	-	-	-
	14,556,809	13,641,537	12,059,326	12,245,191	10,893,799	9,526,850
	233,004	671,207	1,580,717	587,664	327,817	61,836
	-	-	-	-	-	-
	111,523	163,669	198,472	148,622	319,028	197,442
	-	-	-	-	-	-
	-	-	(11,140)	(10,060)	-	(57,110)
	<u>32,034,838</u>	<u>30,817,114</u>	<u>30,678,471</u>	<u>28,533,429</u>	<u>26,606,399</u>	<u>23,786,768</u>
	-	-	-	(408,057)	-	-
	-	-	-	(408,057)	-	-
	<u>32,034,838</u>	<u>30,817,114</u>	<u>30,678,471</u>	<u>28,125,372</u>	<u>26,606,399</u>	<u>23,786,768</u>
	438	3,104	836	2,094	134	-
	-	-	-	6,161	-	-
	-	-	11,140	10,060	-	57,110
	<u>438</u>	<u>3,104</u>	<u>11,976</u>	<u>18,315</u>	<u>134</u>	<u>57,110</u>
\$	<u>32,035,276</u>	<u>30,820,218</u>	<u>30,690,447</u>	<u>28,143,687</u>	<u>26,606,533</u>	<u>23,843,878</u>
\$	(662,503)	\$ (121,448)	\$ 364,496	\$ (55,665)	\$ 2,854,057	\$ 118,584
	5,748	(9,131)	(7,920)	(12,447)	(45,501)	10,095
\$	<u>(656,755)</u>	<u>(130,579)</u>	<u>356,576</u>	<u>(68,112)</u>	<u>2,808,556</u>	<u>128,679</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>
General Fund:				
Committed	\$ -	\$ -	\$ 499,198	\$ -
Assigned	2,076,944	1,166,397	455,384	-
Unassigned	10,019,984	8,625,167	6,274,407	-
Reserved	-	-	-	5,853,953
Unreserved	-	-	-	(107,141)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total general fund	<u>\$ 12,096,928</u>	<u>\$ 9,791,564</u>	<u>\$ 7,228,989</u>	<u>\$ 5,746,812</u>
All Other Governmental Funds:				
Nonspendable	\$ 14,138	\$ 9,915	\$ -	\$ -
Restricted	4,666,817	5,303,390	4,028,982	-
Committed	58,148	58,148	58,148	-
Reserved	-	-	-	2,646,836
Unreserved, reported in:				
Special revenue funds	(94,229)	-	-	803,406
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	810,860
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total all other governmental funds	<u>4,644,874</u>	<u>5,371,453</u>	<u>4,087,130</u>	<u>4,261,102</u>
Total governmental funds	<u>\$ 16,741,802</u>	<u>\$ 15,163,017</u>	<u>\$ 11,316,119</u>	<u>\$ 10,007,914</u>

**Source:** School District financial records.

**Note:** The School District implemented GASB 54 in 2011.

**(A)** Fund balance of the governmental funds was restated at June 30, 2011.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,487,047	3,446,905	3,777,191	3,270,013	2,686,341	2,623,592
24,651	1,226,741	1,328,815	1,540,066	1,605,842	(573,504)
<u>\$ 3,511,698</u>	<u>\$ 4,673,646</u>	<u>\$ 5,106,006</u>	<u>\$ 4,810,079</u>	<u>\$ 4,292,183</u>	<u>\$ 2,050,088</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,618,943	2,514,962	9,536,610	25,668,720	7,699,441	672,618
671,903	587,624	326,003	143,627	40,014	320,154
-	-	-	-	-	597,954
1,246,346	1,375,859	3,905,009	4,996,314	29,393,738	(124,589)
<u>4,537,192</u>	<u>4,478,445</u>	<u>13,767,622</u>	<u>30,808,661</u>	<u>37,133,193</u>	<u>1,466,137</u>
<u>\$ 8,048,890</u>	<u>\$ 9,152,091</u>	<u>\$ 18,873,628</u>	<u>\$ 35,618,740</u>	<u>\$ 41,425,376</u>	<u>\$ 3,516,225</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 18,608,333	\$ 18,434,138	\$ 18,811,911	\$ -
Income taxes	3,611,985	3,450,748	3,232,606	-
Taxes (A)	-	-	-	20,990,462
Payment in lieu of taxes	248,668	244,242	454,264	-
Tuition	158,671	181,788	146,122	125,013
Transportation fees	63,032	55,534	85,064	56,336
Earnings on investments	39,423	33,868	27,631	57,979
Charges for services	647,616	672,597	-	-
Classroom materials and fees	175,084	168,530	167,652	166,571
Extracurricular	639,857	676,486	583,925	529,391
Rental income	94,944	58,866	72,479	-
Contributions and donations	36,552	5,006	11,865	-
Other local revenues	112,364	116,977	98,319	381,970
Intergovernmental (B)	-	-	-	-
Intergovernmental - state	16,077,255	15,901,369	15,978,937	16,027,739
Intergovernmental - federal	1,731,448	2,249,947	2,555,211	2,178,849
Total revenues	<u>42,245,232</u>	<u>42,250,096</u>	<u>42,225,986</u>	<u>40,514,310</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	15,614,347	15,131,664	16,140,601	15,047,699
Special	3,702,130	3,662,751	3,967,804	3,790,609
Vocational	370,045	399,043	485,680	607,980
Other	402,102	315,296	414,698	1,064
Current:				
Pupil	1,843,854	1,853,681	2,150,215	2,062,899
Instructional staff	1,079,823	1,246,547	1,765,596	1,831,800
Board of education	251,219	148,401	167,590	370,602
Administration	2,858,772	2,720,670	2,828,609	2,669,842
Fiscal	929,199	896,941	928,939	814,429
Business	9,092	-	-	-
Operations and maintenance	3,592,703	3,973,373	4,407,317	3,902,521
Pupil transportation	2,607,727	2,515,817	2,665,689	2,287,317
Central	417,559	263,352	363,972	225,769
Operation of non-instructional services:				
Other non-instructional services	232,363	219,495	-	-
Food service operations	1,198,279	1,149,568	-	-
Extracurricular activities	836,985	827,321	952,449	957,907
Facilities acquisitions and construction	1,026,015	1,318,446	1,985	57,261
Capital outlay	135,167	-	91,000	-
Debt service:				
Principal retirement	1,798,207	3,988,978	3,998,337	4,108,332
Interest and fiscal charges	2,453,820	2,630,277	2,624,872	2,698,935
Bond issuance costs	123,891	143,215	-	-
Note issuance costs	-	-	19,478	22,135
Total expenditures	<u>41,483,299</u>	<u>43,404,836</u>	<u>43,974,831</u>	<u>41,457,101</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,941,704
-	-	-	-	-	-
17,016,294	16,322,531	16,599,663	15,462,125	15,165,780	-
-	-	-	-	-	-
83,871	127,378	121,093	86,259	69,343	45,850
54,884	88,367	58,978	93,547	86,474	55,549
226,305	710,227	1,590,223	1,627,454	310,776	61,836
-	-	-	-	-	-
159,568	204,594	183,354	184,606	159,937	140,111
543,542	550,585	474,076	447,150	465,170	423,729
-	-	-	-	-	-
-	-	-	-	-	-
249,309	440,557	269,022	226,271	363,367	202,081
-	-	-	-	-	10,584,340
16,383,458	15,253,870	13,435,254	12,655,281	11,333,666	-
1,002,286	1,121,458	1,086,967	1,000,559	782,644	-
<u>35,719,517</u>	<u>34,819,567</u>	<u>33,818,630</u>	<u>31,783,252</u>	<u>28,737,157</u>	<u>25,455,200</u>
14,420,865	13,908,098	12,866,951	11,793,025	10,271,912	9,910,130
4,310,721	3,803,995	3,381,747	2,971,968	2,473,999	2,338,259
711,700	686,155	737,833	736,773	536,086	620,607
69,882	29,262	-	9,022	245	-
1,649,969	1,624,880	1,727,160	1,489,845	1,281,869	901,281
1,352,083	1,445,425	1,516,810	1,274,169	1,061,552	1,261,917
347,716	436,996	368,549	56,227	322,761	504,061
2,511,823	2,593,138	2,497,129	2,083,915	1,880,113	1,875,673
717,618	768,490	675,516	691,554	538,497	634,782
-	-	-	-	-	-
3,553,880	3,466,297	3,054,730	2,694,156	2,613,120	2,390,465
2,006,000	2,022,378	2,358,707	2,200,018	1,613,312	1,445,686
217,107	213,640	191,882	159,387	141,722	138,451
-	-	-	-	-	-
-	-	-	-	-	-
912,098	1,026,400	958,665	869,727	834,844	820,838
222,272	7,749,649	18,904,396	6,303,110	3,421,836	323,334
98,394	175,000	-	-	-	-
4,166,886	4,976,747	4,101,702	4,727,041	993,985	815,000
2,752,098	2,813,780	2,262,419	3,001,772	1,348,812	1,652,294
-	-	569,974	-	621,829	-
26,319	15,778	-	-	-	-
<u>40,047,431</u>	<u>47,756,108</u>	<u>56,174,170</u>	<u>41,061,709</u>	<u>29,956,494</u>	<u>25,632,778</u>

- - Continued

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - (Continued)  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 761,933	\$ (1,154,740)	\$ (1,748,845)	\$ (942,791)
<b>Other Financing Sources (Uses)</b>				
Premium on bond and notes sold	626,659	151,638	22,455	31,815
Sale of capital assets	49,501	-	36,690	-
Sale of bonds	5,494,997	2,670,000	-	-
Sale of notes	-	2,180,000	2,670,000	2,870,000
Transfers in	189,061	34,200	-	285
Transfers (out)	(189,061)	(34,200)	-	(285)
Win-win settlement	641,170	-	-	-
Payment to refunding bond escrow agent	(6,130,642)	-	-	-
Capital lease transaction	135,167	-	91,000	-
Lease purchase transaction	-	-	-	-
Total other financing sources	<u>816,852</u>	<u>5,001,638</u>	<u>2,820,145</u>	<u>2,901,815</u>
Net change in fund balances	<u>\$ 1,578,785</u>	<u>\$ 3,846,898</u>	<u>\$ 1,071,300</u>	<u>\$ 1,959,024</u>
Capital expenditures	\$ 1,526,562	\$ 1,542,274	\$ 504,707	\$ 271,419
Debt service as a percentage of noncapital expenditures	10.64%	15.81%	15.28%	16.58%

**Source:** School District financial records.

**(A)** Fiscal years 2004-2011 property and income taxes were shown as a single line item.

**(B)** Prior to fiscal year 2005 intergovernmental revenue was shown as a single line item.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ (4,327,914)	\$ (12,936,541)	\$ (22,355,540)	\$ (9,278,457)	\$ (1,219,337)	\$ (177,578)
26,319	22,940	3,054,300	8,917	4,484,878	-
-	-	6,499	102,964	2,185	4,950
-	-	43,099,983	-	42,875,000	-
3,100,000	3,220,000	3,370,000	3,370,000	3,000,000	-
-	826,568	72,046	242,385	241,624	245,265
-	(1,029,504)	(83,186)	(252,445)	(241,624)	(302,375)
-	-	-	-	-	-
-	-	(45,577,468)	-	(11,282,603)	-
98,394	175,000	-	-	-	-
-	-	1,250,000	-	-	-
<u>3,224,713</u>	<u>3,215,004</u>	<u>5,192,174</u>	<u>3,471,821</u>	<u>39,079,460</u>	<u>(52,160)</u>
<u>\$ (1,103,201)</u>	<u>\$ (9,721,537)</u>	<u>\$ (17,163,366)</u>	<u>\$ (5,806,636)</u>	<u>\$ 37,860,123</u>	<u>\$ (229,738)</u>
\$ 300,467	\$ 9,052,801	\$ 18,845,087	\$ 5,742,621	\$ 3,635,641	\$ 152,436
17.47%	20.17%	17.05%	21.88%	8.90%	9.68%

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Collection Year	Real Property (A)		Tangible Personal Property (B)		Public Utility (C)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value (b)	Estimated Actual Value
2013	\$ 391,837,560	\$ 1,119,535,886	\$ -	\$ -	\$ 17,340,430	\$ 69,361,720
2012	391,015,940	1,117,188,400	-	-	16,907,470	67,629,880
2011	418,815,410	1,196,615,457	39,570	158,280	17,015,400	68,061,600
2010	422,680,650	1,207,659,000	336,304	1,345,216	15,492,790	44,265,114
2009	418,714,450	1,196,327,000	502,706	2,010,824	15,540,000	44,400,000
2008	401,308,730	1,146,596,371	8,157,431	32,629,724	15,689,440	44,826,971
2007	380,944,740	1,088,413,543	10,326,909	41,307,636	18,010,000	51,457,143
2006	364,693,210	1,041,980,600	17,967,340	71,869,360	18,575,380	53,072,514
2005	313,712,120	896,320,343	24,125,031	96,500,124	19,546,420	55,846,914
2004	293,808,010	839,451,457	21,800,651	87,202,604	19,389,850	55,399,571

**Source:** Franklin County Auditor's Office.

**(A)** The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

**(B)** The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. Tangible personal property tax collections were phased out entirely effective for collection year 2012.

**(C)** Assumes public utilities are assessed at 25% for 2010 and after and 35% for 2009 and prior.

<b>Total</b>			
<b>Total Direct Tax Rate</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>
79.45	\$ 409,177,990	\$ 1,188,897,606	34.42%
79.13	407,923,410	1,184,818,280	34.43%
78.16	435,870,380	1,264,835,337	34.46%
77.75	438,509,744	1,253,269,330	34.99%
62.93	434,757,156	1,242,737,824	34.98%
61.25	425,155,601	1,224,053,067	34.73%
61.25	409,281,649	1,181,178,322	34.65%
61.25	401,235,930	1,166,922,474	34.38%
61.00	357,383,571	1,048,667,381	34.08%
61.05	334,998,511	982,053,633	34.11%

**CANAL WINCHESTER LOCAL SCHOOLDISTRICT  
FRANKLIN COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN CALENDAR YEARS

	Tax Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Canal Winchester Local School District:</b>										
Unvoted (Inside Millage) - General Operating	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Voted - General Operating	63.15	63.23	63.73	63.22	48.40	48.40	48.40	48.40	48.40	48.42
Voted - Bond	10.80	10.40	8.93	9.03	9.03	7.35	7.35	7.35	7.10	7.13
Voted - Classroom Facilities	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Voted	<u>74.45</u>	<u>74.13</u>	<u>73.16</u>	<u>72.75</u>	<u>57.93</u>	<u>56.25</u>	<u>56.25</u>	<u>56.25</u>	<u>56.00</u>	<u>56.05</u>
Total	<u>79.45</u>	<u>79.13</u>	<u>78.16</u>	<u>77.75</u>	<u>62.93</u>	<u>61.25</u>	<u>61.25</u>	<u>61.25</u>	<u>61.00</u>	<u>61.05</u>
<b>Joint Vocational School District:</b>										
Eastland-Fairfield	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Counties:</b>										
Fairfield County	8.55	8.55	8.55	8.55	7.55	7.55	7.55	7.55	7.05	7.05
Franklin County	18.47	17.32	17.32	17.32	17.37	17.84	17.79	17.79	17.79	16.99
<b>Cities/Villages:</b>										
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	5.45	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14	3.14
Lithopolis	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90
Pickerington	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
<b>Townships:</b>										
Bloom	18.70	17.80	17.80	18.05	18.05	18.05	18.05	18.05	15.30	15.30
Madison	24.60	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80	21.80
Violet	14.95	14.05	14.05	14.05	14.05	13.85	13.85	13.83	13.55	13.65

**Source:** Franklin County and Fairfield County Auditor's Offices.

**Note:** Rates are stated per \$1,000 of assessed value.

**Note:** Data is presented on a calendar year basis, which is consistent with the method by which the County Auditor's Offices maintain this information.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**PRINCIPAL PROPERTY TAX PAYERS  
DECEMBER 31, 2012 AND DECEMBER 31, 2003**

<b>December 31, 2012</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Dominion Transmission Inc.	\$ 8,433,820	1	2.06%
Winchester Square LLC	5,488,490	2	1.34%
Wal-Mart Real Estate	4,326,000	3	1.06%
South Central Power	3,713,430	4	0.91%
Waterloo Crossing LTD	3,590,400	5	0.88%
TS Trim Industries Inc.	2,499,150	6	0.61%
HD Development	2,197,310	7	0.54%
Lehman Village LTD	1,961,370	8	0.48%
Greenbridge Company LTD	1,960,010	9	0.48%
Schroer Properties	1,715,000	10	0.42%
Total	\$ 35,884,980		8.77%
Total Assessed Valuation			\$ 409,177,990

<b>December 31, 2003</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Dominion Transmission Inc.	\$ 10,424,710	1	3.11%
Virginia Homes Ltd.	6,442,220	2	1.92%
Gender/Thirty Three	5,032,070	3	1.50%
TS Trim Industries Inc.	4,118,590	4	1.23%
Bob McDorman Chevrolet Inc.	3,320,590	5	0.99%
Ohio Bell Telephone Co.	2,883,550	6	0.86%
South Central Power Co.	2,688,430	7	0.80%
Lehman Village Apartments	2,414,590	8	0.72%
Winchester Lakes LLC	2,324,420	9	0.69%
Eastside Properties	2,313,120	10	0.69%
Total	\$ 41,962,290		12.53%
Total Assessed Valuation			\$ 334,998,511

**Source:** Franklin County Auditor's Office.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<b>Tax Year/ Collection Year</b>	<b>Current Levy (A)</b>	<b>Current Collection (B)</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (C)</b>	<b>Total Collection (D)</b>	<b>Total Collection As a Percent of Total Levy (C)</b>
2011/2012	\$ 15,760,752	\$ 15,103,172	95.83%	\$ 450,072	\$ 15,553,244	98.68%
2010/2011	16,330,398	15,655,384	95.87%	361,818	16,017,202	98.08%
2009/2010	16,164,347	15,512,478	95.97%	436,686	15,949,164	98.67%
2008/2009	11,251,590	10,803,009	96.01%	439,501	11,242,510	99.92%
2007/2008	10,834,409	10,461,530	96.56%	471,407	10,932,937	100.91%
2006/2007	11,001,648	10,713,823	97.38%	520,770	11,234,593	102.12%
2005/2006	10,651,892	10,286,000	96.57%	322,436	10,608,436	99.59%
2004/2005	10,096,763	9,734,437	96.41%	309,744	10,044,181	99.48%
2003/2004	9,573,772	9,306,030	97.20%	385,153	9,691,183	101.23%
2002/2003	9,476,121	8,800,033	92.87%	280,174	9,080,207	95.82%

**Source:** Franklin County Auditor's Office.

**(A)** Levy before adjustment for exempt valuation.

**(B)** Current tax collections include State reimbursement for homestead and roll-back.

**(C)** Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the County to get this information in the future.

**(D)** Total tax collections include State reimbursement for homestead and roll-back.

	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes to Levy</b>
\$	841,420	5.34%
	719,444	4.41%
	963,641	5.96%
	1,111,776	9.88%
	1,029,944	9.51%
	943,142	8.57%
	945,212	8.87%
	681,446	6.75%
	611,880	6.39%
	735,362	7.76%

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Governmental Activities**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Energy Conservation Bonds</b>	<b>School Bus Notes</b>	<b>School Facilities Construction and Improvement Notes</b>	<b>Lease Purchase Agreement</b>	<b>Capital Lease</b>
2013	\$ 65,691,112	\$ 2,067,405	\$ -	\$ -	\$ 982,201	\$ 186,171
2012	67,032,067	2,184,257	-	-	1,030,887	115,525
2011	60,402,000	-	-	2,670,000	1,077,224	188,166
2010	60,852,378	-	-	2,870,000	1,121,330	161,397
2009	61,248,181	-	-	3,100,000	1,163,310	212,749
2008	61,643,432	-	-	3,220,000	1,203,267	151,284
2007	62,753,238	-	-	3,370,000	1,241,298	-
2006	62,974,172	-	43,000	3,370,000	-	-
2005	64,004,768	163,781	84,000	3,000,000	-	7,260
2004	31,138,223	318,781	121,000	-	-	49,245

**Sources:**

(A) School District financial records.

(B) See schedule " Demographic and Economic Statistics, Last Ten Fiscal Years" for personal income, population and student enrollment information.

N/A - Information is not available.

	<b>(A)</b> <b>Total</b> <b>Primary</b> <b>Government</b>	<b>(B)</b> <b>Per</b> <b>Capita</b>	<b>(B)</b> <b>Per</b> <b>ADM</b>	<b>(B)</b> <b>Total Debt as</b> <b>a Percentage of</b> <b>Personal Income</b>
\$	68,926,889	N/A	\$ 18,791	N/A
	70,362,736	\$ 9,517	19,400	28.22%
	64,337,390	8,947	17,641	26.53%
	65,005,105	9,154	17,756	28.34%
	65,724,240	10,209	18,725	31.79%
	66,217,983	10,522	19,127	32.00%
	67,364,536	11,060	20,444	34.47%
	66,387,172	11,265	22,696	35.78%
	67,259,809	11,842	25,032	38.35%
	31,627,249	5,865	12,753	19.33%

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Energy Conservation Bonds</b>	<b>Total</b>		
2013	\$ 65,691,112	\$ 2,067,405	\$ 67,758,517	5.70%	N/A
2012	67,032,067	2,184,257	69,216,324	5.84%	\$ 9,362
2011	60,402,000	-	60,402,000	4.78%	8,400
2010	60,852,378	-	60,852,378	4.86%	8,570
2009	61,248,181	-	61,248,181	4.93%	9,514
2008	61,643,432	-	61,643,432	5.04%	9,796
2007	62,753,238	-	62,753,238	5.31%	10,303
2006	62,974,172	-	62,974,172	5.40%	10,686
2005	64,004,768	163,781	64,168,549	6.12%	11,297
2004	31,138,223	318,781	31,457,004	3.20%	5,833

**Source:** School District financial records.

**N/A** - Information is not available.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Canal Winchester Local School District	\$ 68,926,889	100.00%	\$ 68,926,889
	<u>68,926,889</u>		<u>68,926,889</u>
Overlapping debt:			
Fairfield County	5,375,000	3.29%	176,838
Franklin County	238,245,000	1.15%	2,739,818
City of Canal Winchester	2,132,824	96.05%	2,048,577
City of Columbus	1,114,354,444	0.63%	7,020,433
City of Pickerington	16,360,000	0.13%	21,268
Village of Lithopolis	201,300	5.93%	11,937
Madison Township	361,229	33.38%	120,578
Violet Township	2,510,000	4.39%	110,189
Eastland-Fairfield Career & Technical JVS District	3,150,000	5.67%	178,605
	<u>1,382,689,797</u>		<u>12,428,243</u>
Total direct and overlapping debt	<u>\$ 1,451,616,686</u>		<u>\$ 81,355,132</u>

**Source:** Ohio Municipal Advisory Council.

**Note:** Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2012 collection year.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin (A)</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2013	\$ 36,826,019	\$ 57,133,343	\$ 2,869,239	\$ 54,264,104	\$ (17,438,085)	147.35%
2012	36,713,107	58,693,346	2,693,294	56,000,052	(19,286,945)	152.53%
2011	39,224,773	57,223,346	2,425,323	54,798,023	(15,573,250)	139.70%
2010	39,435,610	58,243,346	2,436,983	55,806,363	(16,370,753)	141.51%
2009	39,081,803	59,158,347	2,374,697	56,783,650	(17,701,847)	145.29%
2008	37,526,925	60,028,346	2,171,525	57,856,821	(20,329,896)	154.17%
2007	35,905,927	61,277,884	3,512,020	57,765,864	(21,859,937)	160.88%
2006	34,439,450	61,684,048	3,282,230	58,401,818	(23,962,368)	169.58%
2005	29,993,269	62,878,223	4,585,820	58,292,403	(28,299,134)	194.35%
2004	28,187,807	31,457,004	1,064,827	30,392,177	(2,204,370)	107.82%

**Source:** Franklin County Auditor's Office and School District financial records.

**Note:** Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

**(A)** On March 28, 1996, the District was determined to be a "special needs" district, meaning the was permitted to exceed the voted debt limitation. This status was confirmed on October 14, 2004.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population (A)	Per Capital Personal Income (A)	Total Personal Income	School Enrollment (B)	Unemployment Rates (C)		
					Franklin County	Ohio	United States
2013	N/A	N/A	N/A	3,668	6.2%	7.0%	7.0%
2012	7,393	\$ 33,727	\$ 249,343,711	3,627	5.5%	6.9%	7.9%
2011	7,191	33,727	242,530,857	3,647	7.6%	7.6%	8.3%
2010	7,101	32,301	229,369,401	3,661	8.5%	10.1%	9.8%
2009	6,438	32,118	206,775,684	3,510	8.3%	11.8%	10.6%
2008	6,293	32,885	206,945,305	3,462	5.5%	6.5%	5.8%
2007	6,091	32,081	195,405,371	3,295	4.7%	5.6%	4.6%
2006	5,893	31,484	185,535,212	2,925	4.7%	5.5%	4.6%
2005	5,680	30,875	175,370,000	2,687	5.2%	5.9%	5.1%
2004	5,393	30,342	163,634,406	2,480	5.5%	6.2%	5.5%

(A) U. S. Census Bureau.

(B) Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students.

These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.

(C) Ohio Department of Job and Family Services, Ohio Labor Market Information.

N/A - Information is not available.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND ONE YEAR AGO

<u>Employer</u>	<u>December 31, 2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
TS Trim Industries, Inc.	449	1	8.36%
Canal Winchester Schools	365	2	6.79%
WalMart Stores, Inc.	320	3	5.95%
NIFCO Inc.	236	4	4.39%
Meijer, Inc.	215	5	4.00%
HFI, Inc.	180	6	3.35%
First Healthcare Corporation	171	7	3.18%
The Kroger Co.	130	8	2.42%
Waste Management, Inc.	124	9	2.31%
Diley Ridge Medical Center	123	10	2.29%
Total	<u>2,313</u>		<u>43.04%</u>
Total Employment within the City	<u>5,374 (B)</u>		

<u>Employer</u>	<u>December 31, 2011 (A)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
TS Trim Industries, Inc.	522	1	9.71%
Canal Winchester Schools	422	2	7.85%
WalMart Stores, Inc.	329	3	6.12%
NIFCO Inc.	220	4	4.09%
Meijer, Inc.	200	5	3.72%
First Healthcare Corporation	174	6	3.24%
The Kroger Co.	150	7	2.79%
Waste Management, Inc.	128	8	2.38%
Diley Ridge Medical Center	111	9	2.07%
Altercare	100	10	1.86%
Total	<u>2,356</u>		<u>43.84%</u>
Total Employment within the City	<u>5,374</u>		

**Source:** City of Canal Winchester.

**(A)** Calendar Year 2011 was the first year this information was available.

**(B)** The total employment within the City at December 31, 2012 was not available; therefore, the total employment within the City at December 31, 2011 was used as an estimate.

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**STAFFING STATISTICS  
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION  
LAST TEN FISCAL YEARS**

<b>Type</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Certified Staff	224.00	221.00	249.75	235.80	222.00	226.00
Harvest Preparatory School	3.00	2.00	4.00	4.00	3.00	3.00
Coordinators	2.00	2.00	2.00	2.00	2.00	2.00
Administrators	13.00	12.00	12.00	12.00	12.00	12.00
Classified Staff	128.00	129.00	151.00	146.00	128.00	128.00
<b>Total</b>	<b>370.00</b>	<b>366.00</b>	<b>418.75</b>	<b>399.80</b>	<b>367.00</b>	<b>371.00</b>

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Instruction:						
Regular	169.00	167.00	184.25	171.75	174.70	176.50
Special	36.00	36.00	38.00	37.50	19.00	19.00
Vocational	3.00	3.00	5.50	5.75	7.50	7.50
Support Services:						
Pupil	40.00	39.00	56.00	52.80	37.80	41.00
Instructional staff	6.00	5.00	10.00	9.00	7.60	7.60
Administration	15.00	14.00	14.00	14.00	14.00	14.00
Clerical	20.00	20.00	20.00	19.00	19.00	17.00
Fiscal	4.00	4.00	4.00	4.00	4.00	4.00
Operations and maintenance	30.00	30.00	35.00	34.00	34.00	34.00
Pupil transportation	42.00	44.00	46.00	45.00	42.00	44.00
Food service operations	2.00	2.00	2.00	3.00	3.00	3.00
Harvest Preparatory School	3.00	2.00	4.00	4.00	4.40	3.40
<b>Total Governmental Activities</b>	<b>370.00</b>	<b>366.00</b>	<b>418.75</b>	<b>399.80</b>	<b>367.00</b>	<b>371.00</b>

**Source:** School District records.

<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
217.00	206.00	188.50	192.00
4.00	1.00	1.50	-
2.00	2.00	2.00	2.00
12.00	11.00	11.00	12.00
125.00	116.00	110.00	104.00
<b>360.00</b>	<b>336.00</b>	<b>313.00</b>	<b>310.00</b>

<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
165.50	155.90	145.25	145.00
22.00	20.00	18.00	17.00
8.50	8.35	6.50	8.00
42.00	37.75	34.75	29.00
8.60	8.60	8.00	10.00
14.00	13.00	13.00	14.00
18.00	17.00	16.00	16.00
4.00	4.00	4.00	4.00
28.00	28.00	27.00	28.00
42.00	39.00	36.00	34.00
3.00	3.00	3.00	4.00
4.40	1.40	1.50	1.00
<b>360.00</b>	<b>336.00</b>	<b>313.00</b>	<b>310.00</b>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Instruction:</b>							
Regular and Special							
Enrollment (students)	3,668	3,627	3,647	3,661	3,510	3,462	3,295
Graduates	245	221	224	227	194	207	170
<b>Support services:</b>							
<b>Board of education</b>							
Regular meetings per year	12	12	12	12	12	12	12
Special meetings per year	5	19	11	6	11	10	22
<b>Administration</b>							
Nonpayroll checks issued	3,845	4,141	4,455	4,243	5,070	4,520	4,958
<b>Pupil transportation</b>							
Avg. students transported daily	2,223	2,132	2,160	2,034	1,832	2,127	1,930
<b>Food service operations</b>							
Meals served to students	278,536	294,182	308,516	306,384	304,172	290,653	256,630
Breakfast served to students	65,859	63,379	58,344	63,490	52,741	921	N/A

**Source:** School District records.

**N/A:** Information for the breakfast served to students is not applicable for fiscal years 2004-2007.

<u>2006</u>	<u>2005</u>	<u>2004</u>
2,925 186	2,687 161	2,480 164
12 11	12 7	12 8
4,852	4,448	4,911
1,988	1,723	1,749
242,630 N/A	211,051 N/A	200,573 N/A

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>
<b>Governmental Activities:</b>				
Land	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648
Land improvements	55,929	56,999	58,069	59,140
Buildings and improvements	62,387,333	63,126,921	63,862,168	64,634,286
Furniture and equipment	2,082,522	2,104,827	2,249,411	2,305,998
Vehicles	531,587	461,953	588,534	534,604
Construction in progress	2,253,315	1,227,300	-	-
<b>Total Governmental Activities</b>	<u>\$ 71,009,334</u>	<u>\$ 70,676,648</u>	<u>\$ 70,456,830</u>	<u>\$ 71,232,676</u>
<b>Business-type Activities:</b>				
Furniture and equipment	\$ -	\$ -	\$ -	\$ 102,815
Vehicles	-	-	-	-
<b>Total Business-type Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,815</u>

**Source:** School District financial records.

**(A)** Capital assets were restated at June 30, 2011 to include the capital assets of the business-type activities with the governmental activities.

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 4,205,598	\$ 1,357,784
60,210	61,280	62,350	63,420	64,491	-
65,368,670	66,140,493	35,681,164	35,081,326	35,512,529	37,158,114
2,485,632	2,532,187	2,028,668	1,954,044	1,753,055	1,866,047
692,141	851,702	1,029,254	864,584	909,003	983,043
-	-	22,868,642	5,746,121	574,022	-
<u>\$ 72,305,301</u>	<u>\$ 73,284,310</u>	<u>\$ 65,368,726</u>	<u>\$ 47,408,143</u>	<u>\$ 43,018,698</u>	<u>\$ 41,364,988</u>
\$ 115,250	\$ 127,684	\$ 140,118	\$ 152,552	\$ 166,892	\$ 143,394
-	-	-	-	1,434	1,691
<u>\$ 115,250</u>	<u>\$ 127,684</u>	<u>\$ 140,118</u>	<u>\$ 152,552</u>	<u>\$ 168,326</u>	<u>\$ 145,085</u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Indian Trail Elementary (1999)</b>						
Square feet	94,693	94,693	94,693	94,693	94,693	94,693
Capacity (students)	825	825	825	825	825	825
Enrollment	780	849	836	898	878	889
Number of Teachers (A)	41	39	44	44	47	47
Pupil to Teacher Ratio	18.9	22.1	18.9	20.6	18.9	18.9
<b>Winchester Trail Elementary (2002, 2008)</b>						
Square feet	118,299	118,299	118,299	118,299	118,299	118,299
Capacity (students)	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	882	813	885	874	860	808
Number of Teachers (A)	55	55	63	58	51	50
Pupil to Teacher Ratio	16.0	14.8	14.2	15.1	17.0	16.3
<b>Intermediate School</b>						
Square feet	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A
Number of Teachers (A)	N/A	N/A	N/A	N/A	N/A	N/A
Pupil to Teacher Ratio	N/A	N/A	N/A	N/A	N/A	N/A
<b>Old Middle School</b>						
Square feet	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A
Number of Teachers (A)	N/A	N/A	N/A	N/A	N/A	N/A
Pupil to Teacher Ratio	N/A	N/A	N/A	N/A	N/A	N/A
<b>Modular Classrooms (B)</b>						
Square feet	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Middle School (2008)</b>						
Square feet	130,958	130,958	130,958	130,958	130,958	130,958
Capacity (students)	921	921	921	921	921	921
Enrollment	901	896	866	857	801	804
Number of Teachers (A)	56	56	60	56	49	49
Pupil to Teacher Ratio	16.1	16.1	14.5	15.2	16.3	16.3
<b>High School (1976, 1998, 2003)</b>						
Square feet	136,148	136,148	136,148	136,148	136,148	136,148
Capacity (students)	1,025	1,025	1,025	1,025	1,025	1,025
Enrollment	1,105	1,069	1,060	1,032	971	961
Number of Teachers (A)	56	57	61	57	55	57
Pupil to Teacher Ratio	19.9	18.8	17.3	18.0	17.6	16.8
Total enrollment by year	3,668	3,627	3,647	3,661	3,510	3,462
Total teachers by year	208	206	228	215	201	203

**Source:** School District records.

**Notes:** Year of original construction is in parentheses.

**(A)** Does not include guidance counselors, nurses, media, etc.

**(B)** Handled the overflow of students from the Intermediate School and/or Middle School.

**N/A** - Information is not applicable.

<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
94,693	94,693	94,693	94,693
825	825	825	825
861	654	583	518
43	40	36	37
20.0	16.6	16.4	14.0
72,174	72,174	72,174	72,174
525	525	525	525
518	476	454	436
32	30	26	27
16.2	15.9	17.5	16.1
46,500	46,500	46,500	46,500
475	475	475	475
518	469	436	406
30	30	28	27
17.3	15.6	15.6	15.0
69,660	69,660	69,660	69,660
325	325	325	325
508	462	437	405
36	32	32	31
14.1	14.3	13.7	13.1
12,740	12,740	12,740	12,740
200	200	200	200
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
90,248	90,248	90,248	90,248
680	680	680	680
890	864	777	715
55	52	48	48
16.2	16.5	16.1	14.9
3,295	2,925	2,687	2,480
196	184	170	170

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (B)		Enrollment	Percent Change	Teaching Staff	Pupil/Teacher Ratio
	Expenditures (A)	Cost per Pupil	Expenses (A)	Cost per Pupil				
2013	\$ 37,107,381	\$ 10,117	\$ 36,729,427	\$ 10,013	3,668	1.13%	208	17.68
2012	36,642,366	10,103	36,277,259	10,002	3,627	-0.55%	206	17.61
2011	37,332,144	10,236	38,912,714	10,670	3,647	-0.38%	228	16.01
2010	34,627,699	9,459	34,941,661	9,544	3,661	4.30%	215	17.03
2009	33,102,128	9,431	33,485,903	9,540	3,510	1.39%	201	17.45
2008	39,949,803	11,540	31,497,191	9,098	3,462	5.07%	203	17.05
2007	49,810,049	15,117	31,312,701	9,503	3,295	12.65%	196	16.81
2006	33,332,896	11,396	28,228,421	9,651	2,925	8.86%	184	15.88
2005	27,613,697	10,277	24,019,974	8,939	2,687	8.35%	170	15.83
2004	23,165,484	9,341	23,896,048	9,636	2,480	6.03%	170	14.59

**Source:** School District financial records. The enrollment is located on the Demographic and Economic Statistics table on page 135 and the teaching staff was provided by School District records.

(A) Debt Service totals have been excluded.

(B) The District implemented GASB 34 in fiscal year 2003.

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT  
FRANKLIN COUNTY, OHIO**

**TEACHERS STATISTICS  
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Teachers' Salaries							
Average Salary	N/A	\$ 55,444	\$ 53,544	\$ 53,529	\$ 53,545	\$ 51,297	\$ 49,298
Teaching Experience							
0-4 Years	N/A	18.55%	21.93%	21.08%	13.80%	25.10%	24.60%
4-10 Years	N/A	20.36%	25.44%	28.70%	32.40%	30.80%	29.60%
10 or More Years	N/A	61.09%	52.63%	50.22%	53.80%	44.10%	45.80%

**Source:** Ohio Department of Education.

**N/A** - Information is not available.

<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 47,770	\$ 46,073	\$ 43,369
34.60%	N/A	N/A
23.00%	N/A	N/A
42.40%	N/A	N/A

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# Dave Yost • Auditor of State

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 6, 2014**