

CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY
SINGLE AUDIT
JULY 1, 2015 - JUNE 30, 2016





Dave Yost • Auditor of State

Board of Education
Canal Winchester Local School District
100 Washington Street
Canal Winchester, Ohio 43110

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, 2015 through June 30, 2016. 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 31, 2017

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR\ Pass Through Grantor\ Program/Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Non-Cash Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education:</i>				
Nutrition Cluster:				
National School Breakfast Program	N/A	10.553	\$ 166,591	\$ -
National School Lunch Program	N/A	10.555	519,095	96,585
Total U.S. Department of Agriculture			<u>685,686</u>	<u>96,585</u>
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	N/A	84.010	735,669	-
Special Education Cluster:				
Special Education Grants to States	N/A	84.027	582,118	-
Special Education Preschool Grants	N/A	84.173	7,509	-
Total Special Education Cluster			<u>589,627</u>	<u>-</u>
English Language Acquisition Grants	N/A	84.365	14,050	-
Improving Teacher Quality State Grants	N/A	84.367	77,502	-
Total U.S. Department of Education			<u>1,416,848</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,102,534</u></u>	<u><u>\$ 96,585</u></u>

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Canal Winchester Local School District, Franklin County (the District's) under programs of the federal government for the fiscal year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at fair value. The District allocated donated commodities to the respective program that benefited from use of those donated food commodities. The District used the services of EPC/MEC to hold, process, and deliver its federal commodities at a nominal rate.



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

Canal Winchester Local School District
Franklin County
100 Washington Street
Canal Winchester, Ohio 43110

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canal Winchester Local School District, Franklin County, (the District) as of and for the fiscal year ended June 30, 2016, 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 14, 2016.

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.

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.

Wilson, Shannon & Snow, Inc.

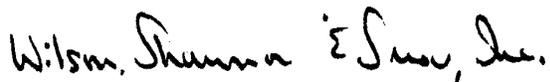
CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
1-800-523-6611
FAX (740) 345-5635

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.



Newark, Ohio
December 14, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY UNIFORM GUIDANCE**

Canal Winchester Local School District
Franklin County
100 Washington Street
Canal Winchester, Ohio 43110

To the Board of Education:

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) *Compliance Supplement* that could directly and materially affect each of the Canal Winchester Local School District's major federal programs for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS
Ten West Locust Street
Newark, Ohio 43055
(740) 345-6611
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Opinion on Each 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 each of its major federal programs for the fiscal year ended June 30, 2016.

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 the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Canal Winchester Local School District (the District) as of and for the fiscal year ended June 30, 2016, 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 14, 2016. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 14, 2016

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

JUNE 30, 2016

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	No
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	<p>Nutrition Cluster: National School Breakfast Program\CFDA #10.553; National School Lunch Program\CFDA #10.555</p> <p>Special Education Cluster: Special Education Grants to States\CFDA #84.027; Special Education Preschool Grants\CFDA #84.173</p>
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

JUNE 30, 2016

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)**

JUNE 30, 2016

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2015-001	Cash Management – Noncompliance Finding / Material Weakness	Yes	NA.
2015-002	Special Tests and Provisions – Paid Lunch Equity – Noncompliance Finding / Significant Deficiency	Yes	NA.



Canal Winchester

LOCAL SCHOOLS

Canal Winchester, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by
Nick Roberts, Treasurer

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**CANAL WINCHESTER LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

**PREPARED BY
NICK ROBERTS, 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, 2016**

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December 14, 2016

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, 2016 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, 2016, 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 Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance"). 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) and the required supplementary information concerning schedules of net pension liabilities and pension contributions. 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, 2016. The District enrolled approximately 3,741 students during the 2015-16 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 fiscal 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 1,025 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 Joint Recreational District.

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 and a strengthened standards-based gifted program.

STUDENT ACHIEVEMENT

Scholastic Performance: Scholastic Performance: For the 2015-2016 school year, Ohio administered their third different accountability assessment in as many years in various subject areas from grade 3 through high school. The district's overall performance provided a variety of outcomes that will serve as our benchmark in which future progress under Ohio's accountability system will be judged. Overall, Canal Winchester Local Schools received an A (Graduation Rate), two C's (Prepared for Success & Achievement), a D (K-3 Literacy), and two F's (Gap Closing and Progress).

In addition, Canal Winchester Local Schools utilized the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) educational resource in reading and math for grades K-8. This locally provided resource allows us another way to view the impact of our instructional practices beyond Ohio's ever changing assessment landscape. Overall, according to NWEA's Insights Report, our achievement and growth are slightly above the national average for the 2015-2016 school year and our three-year national growth trend for grades K-3 indicates reading is consistently above average while math is average.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Data Analysis: Together the District Leadership Team (DLT), Building Leadership Team's (BLT) and Teacher Based Team's (TBT) analyze, act, and refine practices in response to annual data analysis to ensure the success of all students. At each level the Education Value-Added Assessment System (EVAAS), the Ohio Computer Based Assessment (OCBA), as well as the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) results are reviewed. Data from all OCBA (administered to grade levels 3-8 & high school) and MAP (reading & math K-8) exams are analyzed by grade level, content area, and subgroups including standard. During this process, all staff work together to determine the details of our next instructional steps to ensure the growth of all students. Additionally, intervention, substantive practice and enrichment are planned for students based on data analysis. Teachers are also analyzing pre-assessment and trend data to develop Student Learning Objectives (SLO) to use as part of Ohio's Teacher Evaluation System (OTES).

Professional Development: Job-embedded professional development is provided to all teaching staff throughout the year and on three designated professional development days. Professional development revolves around identified teacher needs which are surveyed and prioritized annually. Our professional learning continues to emphasize improving instructional strategies to meet the needs of all students by delivering instruction that is high in rigor and relevant to their needs, providing learning opportunities in the area of technology integration across all disciplines, and our major focus of project-based learning (PBL) in all content areas. 100% of teaching staff received three days of intensive PBL training by the end of the 2015-2016 school year.

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: Seventh (7th) and Eighth (8th) grade students are able to enroll in an elective study of Spanish to complete either Spanish I or in some cases Spanish I and II. The inclusion of high school credit foreign language courses in seventh and eighth grade permits students an opportunity to enroll in College Credit Plus Spanish courses while still in high school if they begin their foreign language studies at the middle school level.

High School Credit as an Option for Eighth Grade Students: Seventh and Eighth grade students have the option of earning High School credits for Algebra 1, Spanish 1 & 2 and Art Foundations if they meet the qualifications to enroll in those courses.

New middle school and high school courses: Additional courses added to the middle school include Medical Detectives and Exercise and Athletic Training which tie directly to our biomedical pathway at the high school. These provide great opportunities for students to explore STEM related fields of study while still at the Middle School. New high school courses include four Career Tech Business classes; students successfully completing this pathway and continuing their education at Columbus State can earn articulated credit. Additional Columbus State classes have also been added to complete our Health Information Technology pathway and the introduction of a Pharmacy Technician pathway includes two semester courses totaling 10 college credit hours. These courses not only grant our students college credit, but give them the opportunity to begin a career path right after high school. Other college courses added include English 1100 and English 2367. All of these courses are taught by Canal Winchester High School teachers.

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 nine week 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 21st 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.

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 an after school reading program.

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 2016.

Grants Programs: The District had received two Straight A Grants from the State that totaled around \$1.1 million dollars. The grant monies are being used to increase student achievement and teach all students to think, innovate and use technology to improve student engagement and learning. Both grants focus on creativity, communication, collaboration and critical thinking k-12.

Special Education: The District's Special Education Program provides a full continuum of services from Preschool through 12th grade based on the individual needs of its approximate 505 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 7 low-incidence classrooms, including one classroom in the preschool area. In addition, some of our buildings also have cross-categorical classrooms that serve as 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 26 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, 4.5 speech therapists, .5 adaptive physical education teacher, 1 physical therapist, 1.5 occupational therapists, 1 behavior specialist, and 1 transition coordinator. Some of these services and additional services are contracted with other agencies as well. Canal Winchester partners with Nationwide Children's Hospital, through funding from the Franklin County ADAMH Board, to receive the services of 2 fulltime School Based Clinicians to help support students' mental health needs. 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 May 6, 2014, District voters approved a renewal of the emergency levy. The levy commences in tax year 2014 with collections beginning January 2015. This levy generates \$5.83 million per year for five years, calendar year 2015 through 2019. The levy proceeds are used for current operating expenses. The District's leadership believes the passage of the levy along with conservative expenditure plans 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 2016, 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, June 30, 2013, June 30, 2014 and June 30, 2015. 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,

Nick Roberts

Treasurer

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

PRINCIPAL OFFICIALS
JUNE 30, 2016

BOARD OF EDUCATION

Michael Yonnotti	President
Jonathan Metzler	Vice-President
Kevin Butler	Member
Matthew Krueger	Member
Brian Niceswanger	Member

SUPERINTENDENT

James Sotlar

TREASURER

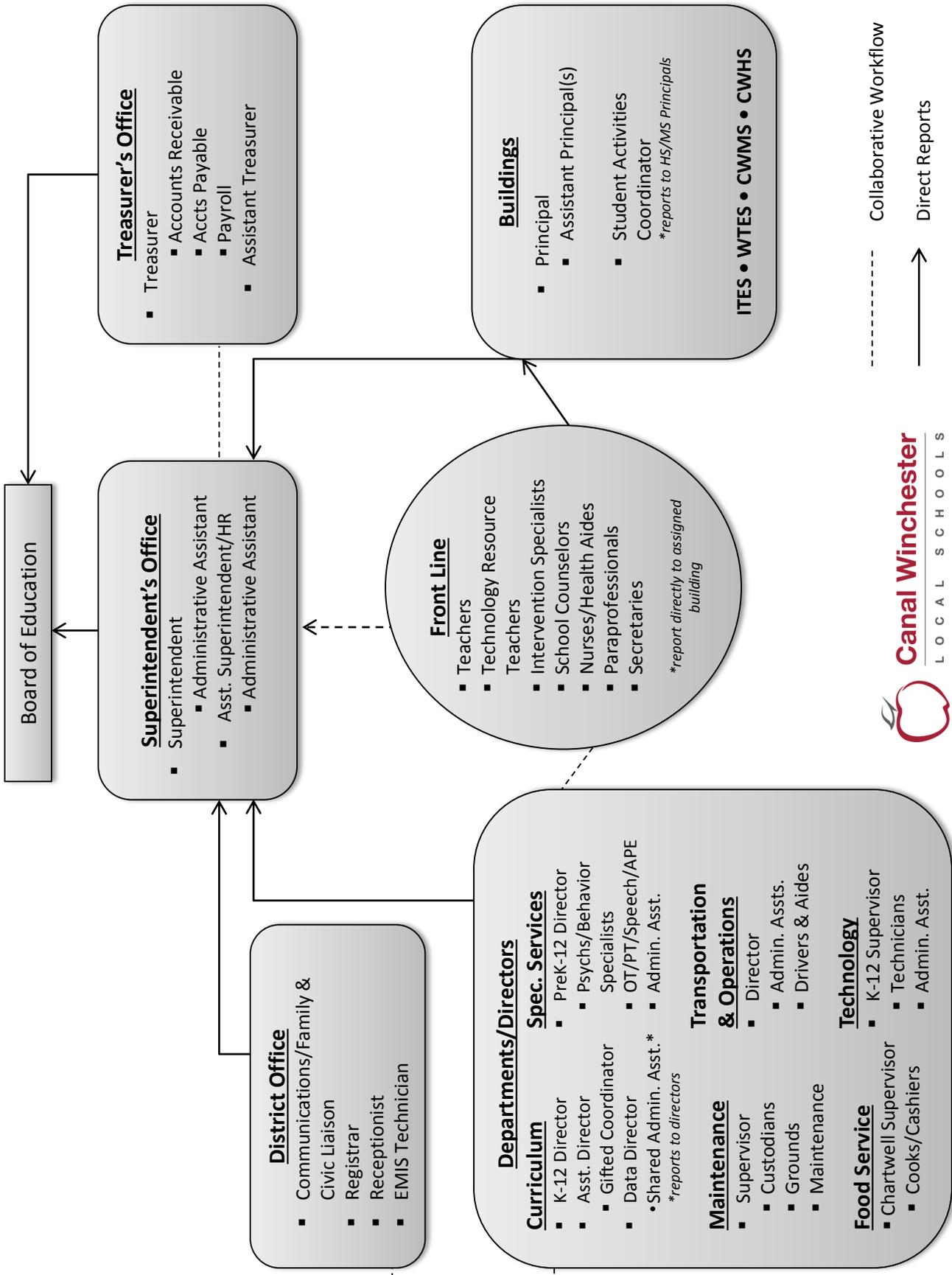
Joyce A. Boyer**

ADMINISTRATIVE STAFF

Kiya Hunt	Assistant Superintendent
Kirk Henderson	High School Principal
Lori Green	Assistant High School Principal
Greg Lahr	Assistant High School Principal
Patricia Kuhn-Morgan	Middle School Principal
Daniel Senu-Oke	Assistant Middle School Principal
Kelly Zwyczyk	Winchester Trail Elementary Principal
Jay Brown	Assistant Principal at Winchester Trail Elementary
Asia Armstrong	Indian Trail Elementary Principal
Paula Vertikoff	Assistant Principal at Indian Trail Elementary
Cyndi Toledo	Curriculum Director
Deb Finch	Assistant Director of Curriculum & Instruction
William Whitlatch	Director of Assessment & Data
Martin Hugo	Technology Coordinator
Kent Riggs	Coordinator of Student Activities
Roger McLoney	Facility Supervisor
Mike Bruning	Director of Operations and Transportation Coordinator

**Effective August 1, 2016, Nick Roberts became the Treasurer of the District.

ORGANIZATIONAL CHART



----- Collaborative Workflow
 → Direct Reports



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Canal Winchester Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Canal Winchester Local School District
Franklin County
100 Washington Street
Canal Winchester, Ohio 43110

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canal Winchester Local School District, Franklin County, Ohio (the District), as of and for the fiscal year ended June 30, 2016, 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

Canal Winchester Local School District
Franklin County
Independent Auditor's Report

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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the 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 14, 2016, 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.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 14, 2016

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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, 2016. 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 2016 are as follows:

- Net position of governmental activities increased \$6,918,940, which represents a 43.47 percent increase from 2015.
- General revenues accounted for \$41,665,382 in revenue or 82.75 percent of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,685,459 or 17.25 percent of total governmental activities revenues of \$50,350,841.
- The District had \$43,431,901 in expenses related to governmental activities, \$8,685,459 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 \$41,665,382 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 \$42,633,888 in revenues and other financing sources and \$38,099,296 in expenditures and other financing uses. The fund balance of the general fund increased \$4,534,592 from a balance of \$20,137,897 to \$24,672,489.
- The debt service fund had \$42,557,011 in revenues and other financing sources and \$41,582,340 in expenditures and other financing uses. The fund balance of the debt service fund increased \$974,671 from \$3,345,149 to \$4,319,820.

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, 2016
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 2016?" 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 28 - 29 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 22. 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 fiscal 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 30 - 36 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 37 - 39 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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 40. 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 - 87 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the net pension liability in this report on pages 90 - 96.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

The District as a Whole

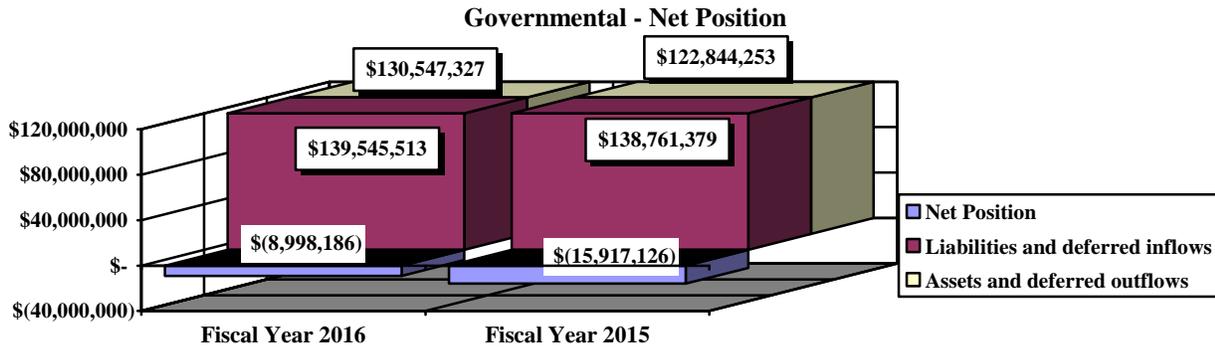
The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2016 and June 30, 2015.

	Net Position	
	Governmental Activities	
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets	\$ 53,052,882	\$ 47,741,409
Capital assets, net	<u>70,498,095</u>	<u>70,785,013</u>
Total assets	<u>123,550,977</u>	<u>118,526,422</u>
<u>Deferred outflows of resources</u>	<u>6,996,350</u>	<u>4,317,831</u>
<u>Liabilities</u>		
Current liabilities	5,046,187	4,771,758
Long-term liabilities:		
Due within one year	4,001,924	2,658,966
Due in more than one year:		
Net pension liability	50,564,498	43,987,468
Other amounts	<u>62,625,082</u>	<u>64,858,247</u>
Total liabilities	<u>122,237,691</u>	<u>116,276,439</u>
<u>Deferred inflows of resources</u>	<u>17,307,822</u>	<u>22,484,940</u>
<u>Net Position</u>		
Net investment in capital assets	12,167,675	10,574,258
Restricted	1,097,050	1,501,423
Unrestricted (deficit)	<u>(22,262,911)</u>	<u>(27,992,807)</u>
Total net position (deficit)	<u>\$ (8,998,186)</u>	<u>\$ (15,917,126)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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 2016 and 2015.



The table below shows the changes in net position for governmental activities between 2016 and 2015.

Change in Net Position

	Governmental Activities	
	2016	2015
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,502,533	\$ 2,328,017
Operating grants and contributions	6,169,326	6,607,596
Capital grants and contributions	13,600	11,285
General revenues:		
Property taxes	19,811,386	18,723,202
Income taxes	4,248,513	3,993,177
Payments in lieu of taxes	498,231	501,246
Grants and entitlements	16,561,092	15,471,785
Investment earnings	323,317	126,405
Miscellaneous	222,843	231,597
Total revenues	50,350,841	47,994,310

In the area of program revenues, operating grants and contributions decreased \$438,270. This decrease is attributable primarily to monies received during fiscal year 2015 in the race to the top program that were not received in fiscal year 2016.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 80.68 percent of total governmental revenue. Real estate property is reappraised every six years. Unrestricted grants and entitlements increased as a result of an increase in state foundation.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	Governmental Activities	
	2016	2015
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 17,466,877	\$ 17,862,859
Special	4,994,345	4,784,323
Vocational	453,369	306,838
Other	889,569	813,046
Support services:		
Pupil	2,052,568	1,983,282
Instructional staff	525,728	766,756
Board of education	113,364	108,727
Administration	3,284,110	3,080,519
Fiscal	1,170,741	1,010,172
Business	7,931	7,888
Operations and maintenance	4,374,364	3,843,310
Pupil transportation	2,821,177	2,800,410
Central	436,075	410,400
Operation of non-instructional services		
Other non-instructional services	53,157	202,238
Food service	1,546,544	1,224,491
Extracurricular activities	999,173	917,441
Interest and fiscal charges	2,242,809	2,833,837
Total expenses	43,431,901	42,956,537
Changes in net position	6,918,940	5,037,773
Net position (deficit) at beginning of year	(15,917,126)	(20,954,899)
Net position (deficit) at end of year	\$ (8,998,186)	\$ (15,917,126)

Governmental Activities

Net position of the District's governmental activities increased \$6,918,940. Total governmental expenses of \$43,431,901 were offset by program revenues of \$8,685,459 and general revenues of \$41,665,382. Program revenues supported 20.00 percent of the total governmental expenses.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$23,804,160 or 54.81 percent of total governmental expenses for fiscal year 2016.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2016 and 2015. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

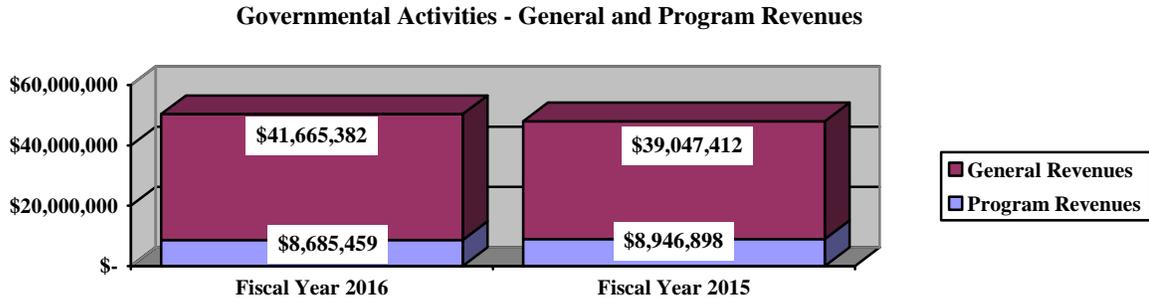
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2016</u>	<u>2016</u>	<u>2015</u>	<u>2015</u>
Program expenses:				
Instruction:				
Regular	\$ 17,466,877	\$ 16,176,942	\$ 17,862,859	\$ 16,050,323
Special	4,994,345	2,124,044	4,784,323	1,978,080
Vocational	453,369	384,177	306,838	239,986
Other	889,569	366,440	813,046	344,901
Support services:				
Pupil	2,052,568	1,943,348	1,983,282	1,878,062
Instructional staff	525,728	477,421	766,756	454,016
Board of Education	113,364	113,364	108,727	108,727
Administration	3,284,110	3,127,326	3,080,519	2,938,256
Fiscal	1,170,741	1,170,741	1,010,172	985,673
Business	7,931	7,931	7,888	7,888
Operations and maintenance	4,374,364	4,223,853	3,843,310	3,724,480
Pupil transportation	2,821,177	1,558,590	2,800,410	1,730,996
Central	436,075	436,075	410,400	403,200
Operation of non-instructional services				
Other non-instructional services	53,157	53,157	202,238	202,238
Food service operations	1,546,544	(39,968)	1,224,491	(112,456)
Extracurricular activities	999,173	380,192	917,441	241,432
Interest and fiscal charges	<u>2,242,809</u>	<u>2,242,809</u>	<u>2,833,837</u>	<u>2,833,837</u>
 Total expenses	 <u>\$ 43,431,901</u>	 <u>\$ 34,746,442</u>	 <u>\$ 42,956,537</u>	 <u>\$ 34,009,639</u>

The dependence upon tax revenues during fiscal year 2016 for governmental activities is apparent, as 80.03 percent of fiscal year 2016 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, 2016
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal years 2016 and 2015.



The District's Governmental Funds

The District's governmental funds (as presented on the balance sheet on pages 30 - 31) reported a combined fund balance of \$30,266,932, which is above last year's total of \$25,108,102. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

	Fund Balance <u>June 30, 2016</u>	Fund Balance <u>June 30, 2015</u>	<u>Change</u>
General	\$ 24,672,489	\$ 20,137,897	\$ 4,534,592
Debt Service	4,319,820	3,345,149	974,671
Other Governmental	<u>1,274,623</u>	<u>1,625,056</u>	<u>(350,433)</u>
Total	<u>\$ 30,266,932</u>	<u>\$ 25,108,102</u>	<u>\$ 5,158,830</u>

General Fund

The District's general fund balance increased \$4,534,592 during fiscal year 2016. The following table assists in illustrating the revenues of the general fund.

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 19,947,188	\$ 18,764,382	6.30 %
Intergovernmental	19,728,348	18,086,627	9.08 %
Other revenues	<u>2,546,192</u>	<u>2,287,390</u>	11.31 %
Total	<u>\$ 42,221,728</u>	<u>\$ 39,138,399</u>	7.88 %

Tax revenues increased as a result of an increase in the amount of property and income taxes collected at June 30, 2016 as compared to June 30, 2015. The District received more in State foundation revenue and revenue from the Medicaid School Program, which resulted in an increase in intergovernmental revenue of 9.08 percent. The increase in other revenues was due to an increase in tuition from open enrollment, earnings on investments as a result of adding additional investments to the investment portfolio and higher interest rates, and other refunds and reimbursements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED**

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

<u>Expenditures</u>	<u>2016 Amount</u>	<u>2015 Amount</u>	<u>Percentage Change</u>
Instruction	\$ 22,618,091	\$ 21,251,558	6.43 %
Support services	13,728,782	13,069,916	5.04 %
Operation of non-instructional	54,748	203,083	(73.04) %
Extracurricular activities	655,333	603,150	8.65 %
Facilities acquisition and construction	-	42,574	(100.00) %
Debt service	<u>569,679</u>	<u>183,129</u>	211.08 %
Total	<u>\$ 37,626,633</u>	<u>\$ 35,353,410</u>	6.43 %

The increase in instruction expenditures was primarily related to costs associated with annual increases in salaries, wages and benefits. The District spent more on extracurricular activities, such as athletic programs, during fiscal year 2016. Facilities acquisition and construction decreased. Debt service increases as the District accounts for a premium from the Series 2016 refunding bond the general fund.

Debt Service Fund

The debt service fund had \$42,557,011 in revenues and other financing sources and \$41,582,340 in expenditures and other financing uses. The fund balance of the debt service fund increased from \$3,345,149 to \$4,319,820. During fiscal year 2016 the District issued \$35,540,000 in Series 2016 refunding bonds that were account for in the debt service fund (see Note 13 to the notes to the basic financial statements for detail on the refunding).

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 2016, 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 \$39,857,330. Actual revenues and other financing sources of \$42,628,491 were \$889,581 higher than final budgeted revenues of \$41,738,910.

General fund original appropriations (appropriated expenditures plus other financing uses) were \$40,387,210 and final appropriations were \$41,473,641. The actual budget basis expenditures and other financing uses for fiscal year 2016 totaled \$39,406,058, which was \$2,067,583 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, 2016
UNAUDITED

Capital Assets and Debt Administration

Capital Assets

The District had \$70,498,095 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. The following table shows fiscal year 2016 balances compared to 2015:

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

Governmental Activities

	<u>2016</u>		<u>2015</u>
Land	\$ 3,698,648		\$ 3,698,648
Land improvements	52,718		53,789
Buildings and improvements	63,120,794		62,983,575
Furniture and equipment	2,455,118		2,313,406
Vehicles	1,170,817		1,318,965
Construction in progress	<u>-</u>		<u>416,630</u>
Total	<u>\$ 70,498,095</u>		<u>\$ 70,785,013</u>

The District had additions of \$1,503,869, depreciation expense of \$1,331,555 and disposals of \$459,232 (net of accumulated depreciation) in fiscal year 2016.

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

Debt Administration

At June 30, 2016 the District had \$58,418,797 in general obligation bonds, \$83,865 in capital lease obligations, \$820,844 in a lease-purchase agreement, \$1,701,894 in energy conservation notes, and \$840,000 in school bus notes outstanding. Of the total outstanding debt, \$3,812,675 is due within one year and \$58,052,725 is due in greater than one year. The following table summarizes the bonds, notes and lease obligations outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities 2016</u>		<u>Governmental Activities 2015</u>
General obligation bonds	\$ 58,418,797		\$ 59,500,782
Energy conservation notes	1,701,894		1,826,145
School bus notes	840,000		1,005,000
Capital lease obligation	83,865		134,475
Lease-purchase agreement	<u>820,844</u>		<u>877,307</u>
Total	<u>\$ 61,865,400</u>		<u>\$ 63,343,709</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, 2016
UNAUDITED**

Current Financial Related Activities

“Empowering All Students for Success” is the mission statement for the District. Maintaining current educational opportunities for our students in a financially reasonable manner for taxpayers is always at the forefront as we plan for the future.

The two year state budget allowed for additional funding for the District. However, the funding formula capped the amount of money that the District is eligible to receive at a 7.5% increase for fiscal year 2014 and a 10.5% increase for fiscal year 2015. This keeps the District from receiving additional state funding for student growth until the state formula calculation reaches and exceeds the capped amount.

Adding to our revenue challenges is the fact that over 1/3rd of our local tax funding must be renewed by the voters on a constant basis. That means our District runs the risk of losing millions in current operating funds if voters do not approve renewal levies every few years.

Canal Winchester Local Schools weathered through tough financial times in the past. We continue to work on a path of financial stability along with our community, and we keep them informed through newsletters, including an annual Financial Report. In order to continue down a path of financial stability, it is critical that the District and community continue working together for not just our students, but for the quality of life in our community as well.

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: Mr. Nick Roberts, Treasurer, Canal Winchester Local School District, 100 Washington Street, Canal Winchester, Ohio 43110.

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**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 26,784,091
Cash with fiscal agent	2,764,152
Receivables:	
Property taxes	20,437,051
Income taxes.	1,842,132
Payment in lieu of taxes	576,790
Accounts.	38,854
Intergovernmental	510,185
Accrued interest	44,330
Prepayments	34,063
Materials and supplies inventory.	3,546
Inventory held for resale.	17,688
Capital assets:	
Nondepreciable capital assets	3,698,648
Depreciable capital assets, net.	66,799,447
Capital assets, net.	<u>70,498,095</u>
Total assets.	<u>123,550,977</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,377,002
Pension - STRS	4,685,895
Pension - SERS	933,453
Total deferred outflows of resources.	<u>6,996,350</u>
Liabilities:	
Accounts payable.	318,413
Accrued wages and benefits payable	3,272,777
Intergovernmental payable	92,242
Pension and postemployment benefits payable.	526,904
Accrued interest payable	110,476
Claims payable.	725,200
Matured interest payable	175
Long-term liabilities:	
Due within one year.	4,001,924
Due in more than one year:	
Net pension liability (See Note 16)	50,564,498
Other amounts due in more than one year	62,625,082
Total liabilities	<u>122,237,691</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	13,504,482
Payment in lieu of taxes levied for the next fiscal year	576,790
Pension - STRS.	2,959,514
Pension - SERS.	267,036
Total deferred inflows of resources	<u>17,307,822</u>
Net position:	
Net investment in capital assets	12,167,675
Restricted for:	
Classroom facilities maintenance	265,765
Locally funded programs	18,927
State funded programs.	20,337
Federally funded programs	25,971
Food service operations	651,863
Student activities	99,044
Other purposes	15,143
Unrestricted (deficit)	<u>(22,262,911)</u>
Total net position.	<u>\$ (8,998,186)</u>

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, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:					
Instruction:					
Regular	\$ 17,466,877	\$ 850,631	\$ 425,704	\$ 13,600	\$ (16,176,942)
Special	4,994,345	135,566	2,734,735	-	(2,124,044)
Vocational	453,369	-	69,192	-	(384,177)
Other	889,569	-	523,129	-	(366,440)
Support services:					
Pupil	2,052,568	-	109,220	-	(1,943,348)
Instructional staff	525,728	-	48,307	-	(477,421)
Board of education	113,364	-	-	-	(113,364)
Administration	3,284,110	-	156,784	-	(3,127,326)
Fiscal	1,170,741	-	-	-	(1,170,741)
Business	7,931	-	-	-	(7,931)
Operations and maintenance	4,374,364	150,511	-	-	(4,223,853)
Pupil transportation	2,821,177	51,585	1,211,002	-	(1,558,590)
Central	436,075	-	-	-	(436,075)
Operation of non-instructional services:					
Other non-instructional services	53,157	-	-	-	(53,157)
Food service operations	1,546,544	702,934	883,578	-	39,968
Extracurricular activities	999,173	611,306	7,675	-	(380,192)
Interest and fiscal charges	2,242,809	-	-	-	(2,242,809)
Total governmental activities	<u>\$ 43,431,901</u>	<u>\$ 2,502,533</u>	<u>\$ 6,169,326</u>	<u>\$ 13,600</u>	<u>(34,746,442)</u>
 General revenues:					
Property taxes levied for:					
General purposes					15,718,560
Debt service					4,092,826
Payments in lieu of taxes					498,231
Income taxes levied for:					
General purposes					4,248,513
Grants and entitlements not restricted to specific programs					16,561,092
Investment earnings					323,317
Miscellaneous					222,843
Total general revenues					<u>41,665,382</u>
Change in net position					6,918,940
Net position (deficit) at beginning of fiscal year					<u>(15,917,126)</u>
Net position (deficit) at end of fiscal year					<u>\$ (8,998,186)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 22,131,759	\$ 3,034,904	\$ 1,417,135	\$ 26,583,798
Receivables:				
Property taxes.	16,248,570	4,188,481	-	20,437,051
Income taxes	1,842,132	-	-	1,842,132
Payment in lieu of taxes	576,790	-	-	576,790
Accounts	33,564	-	5,290	38,854
Accrued interest	44,330	-	-	44,330
Interfund loans	84,199	-	-	84,199
Intergovernmental.	228,687	-	281,498	510,185
Prepayments.	34,036	-	27	34,063
Materials and supplies inventory.	-	-	3,546	3,546
Inventory held for resale.	-	-	17,688	17,688
Total assets	<u>\$ 41,224,067</u>	<u>\$ 7,223,385</u>	<u>\$ 1,725,184</u>	<u>\$ 50,172,636</u>
Liabilities:				
Accounts payable	\$ 302,471	\$ -	\$ 15,942	\$ 318,413
Accrued wages and benefits payable	3,086,767	-	186,010	3,272,777
Compensated absences payable	18,628	-	-	18,628
Pension and postemployment benefits payable	470,687	-	56,217	526,904
Intergovernmental payable	90,443	-	1,799	92,242
Interfund loans payable	-	-	84,199	84,199
Matured interest payable	-	175	-	175
Total liabilities.	<u>3,968,996</u>	<u>175</u>	<u>344,167</u>	<u>4,313,338</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	10,780,073	2,724,409	-	13,504,482
Delinquent property tax revenue not available	694,330	178,981	-	873,311
Income tax revenue not available	287,636	-	-	287,636
Payment in lieu of taxes levied for the next fiscal year	576,790	-	-	576,790
Intergovernmental revenue not available.	221,462	-	106,394	327,856
Accrued interest not available	22,291	-	-	22,291
Total deferred inflows of resources	<u>12,582,582</u>	<u>2,903,390</u>	<u>106,394</u>	<u>15,592,366</u>

- - Continued

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

BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2016

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Materials and supplies inventory	\$ -	\$ -	\$ 3,546	\$ 3,546
Prepays	34,036	-	27	34,063
Restricted:				
Debt service	-	4,319,820	-	4,319,820
Classroom facilities maintenance	-	-	265,765	265,765
Food service operations	-	-	657,807	657,807
Non-public schools	-	-	20,337	20,337
Special education	-	-	1	1
Targeted academic assistance	-	-	5,379	5,379
Other purposes	-	-	34,070	34,070
Student activities	-	-	99,044	99,044
Committed:				
Capital improvements	-	-	271,795	271,795
Assigned:				
Student instruction	268,337	-	-	268,337
Student and staff support	608,744	-	-	608,744
Non-instructional services	85,019	-	-	85,019
Subsequent year's appropriations	3,000,000	-	-	3,000,000
Unassigned	20,676,353	-	(83,148)	20,593,205
Total fund balances	24,672,489	4,319,820	1,274,623	30,266,932
Total liabilities, deferred inflows of resources and fund balances	\$ 41,224,067	\$ 7,223,385	\$ 1,725,184	\$ 50,172,636

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total governmental fund balances		\$ 30,266,932
<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.		70,498,095
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 873,311	
Income taxes receivable	287,636	
Accrued interest receivable	22,291	
Intergovernmental receivable	327,856	
Total	1,511,094	1,511,094
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.		2,239,245
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds:		
Deferred outflows of resources - pension	5,619,348	
Deferred inflows of resources - pension	(3,226,550)	
Net pension liability	(50,564,498)	
Total	(48,171,700)	(48,171,700)
Unamortized premiums on bonds issued are not recognized in the funds.		(3,724,043)
Unamortized amounts on refundings are not recognized in the funds.		1,377,002
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(110,476)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,018,935)	
General obligation bonds	(58,418,797)	
Energy conservation notes	(1,701,894)	
Bus purchase notes	(840,000)	
Lease purchase agreement	(820,844)	
Capital lease obligations	(83,865)	
Total	(62,884,335)	(62,884,335)
Net position of governmental activities		\$ (8,998,186)

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, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 15,702,317	\$ 4,087,245	\$ -	\$ 19,789,562
Income taxes	4,244,871	-	-	4,244,871
Payment in lieu of taxes	498,231	-	-	498,231
Tuition	790,625	-	-	790,625
Transportation fees	51,585	-	-	51,585
Earnings on investments	319,852	-	1,275	321,127
Charges for services	-	-	702,934	702,934
Extracurricular	317,605	-	293,701	611,306
Classroom materials and fees	194,648	-	-	194,648
Rental income	150,511	-	1,975	152,486
Contributions and donations	-	-	13,175	13,175
Other local revenues	223,135	-	109,097	332,232
Intergovernmental - state	19,272,812	504,239	433,194	20,210,245
Intergovernmental - federal	455,536	-	2,087,976	2,543,512
Total revenues	<u>42,221,728</u>	<u>4,591,484</u>	<u>3,643,327</u>	<u>50,456,539</u>
Expenditures:				
Current:				
Instruction:				
Regular	17,236,688	-	438,205	17,674,893
Special	4,559,881	-	518,052	5,077,933
Vocational	445,883	-	-	445,883
Other	375,639	-	544,470	920,109
Support services:				
Pupil	1,934,187	-	107,696	2,041,883
Instructional staff	397,587	-	89,424	487,011
Board of education	114,888	-	-	114,888
Administration	3,100,462	-	155,132	3,255,594
Fiscal	1,115,705	64,431	-	1,180,136
Business	7,915	-	-	7,915
Operations and maintenance	3,990,611	-	4,415	3,995,026
Pupil transportation	2,636,469	-	1,662	2,638,131
Central	430,958	-	7,200	438,158
Operation of non-instructional services:				
Other non-instructional services	54,748	-	-	54,748
Food service operations	-	-	1,551,154	1,551,154
Extracurricular activities	655,333	-	279,408	934,741
Facilities acquisition and construction	-	-	396,942	396,942
Debt service:				
Principal retirement	107,073	2,400,000	-	2,507,073
Interest and fiscal charges	50,446	1,539,980	-	1,590,426
Refunding bond issuance costs	412,160	-	-	412,160
Total expenditures	<u>37,626,633</u>	<u>4,004,411</u>	<u>4,093,760</u>	<u>45,724,804</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,595,095</u>	<u>587,073</u>	<u>(450,433)</u>	<u>4,731,735</u>
Other financing sources (uses):				
Premium on refunding bonds	412,160	2,052,864	-	2,465,024
Refunding bond issuance	-	35,540,000	-	35,540,000
Payment to refunding escrow agent	-	(37,577,929)	-	(37,577,929)
Transfers in	-	372,663	100,000	472,663
Transfers (out)	(472,663)	-	-	(472,663)
Total other financing sources (uses)	<u>(60,503)</u>	<u>387,598</u>	<u>100,000</u>	<u>427,095</u>
Net change in fund balances	4,534,592	974,671	(350,433)	5,158,830
Fund balances at beginning of fiscal year	<u>20,137,897</u>	<u>3,345,149</u>	<u>1,625,056</u>	<u>25,108,102</u>
Fund balances at end of fiscal year	<u>\$ 24,672,489</u>	<u>\$ 4,319,820</u>	<u>\$ 1,274,623</u>	<u>\$ 30,266,932</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, 2016**

Net change in fund balances - total governmental funds	\$	5,158,830
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,087,239	
Current year depreciation	<u>(1,331,555)</u>	
Total		(244,316)
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.		
		(42,602)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	21,824	
Income taxes	3,642	
Earnings on investments	3,465	
Other local revenues	(1,343)	
Intergovernmental	<u>(245,369)</u>	
Total		(217,781)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		2,507,073
The issuance of refunding bonds 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.		
		(35,540,000)
Payment to refunded 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 fiscal year:		
Bonds refunded	35,540,000	
Unamortized premium on bonds refunded	1,533,719	
Unamortized deferred amount on bonds refunded	(733,623)	
Deferred charges on refunding	<u>1,237,833</u>	
Total		37,577,929
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.		
		(2,465,024)
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:		
Decrease in accrued interest payable	87,177	
Accreted interest on capital appreciation bonds	(1,028,764)	
Amortization of bond premiums	462,659	
Amortization of deferred charges	<u>(173,455)</u>	
Total		(652,383)
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.		
		(110,459)

- (Continued)

**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 - (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	\$ 3,025,605
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(2,513,150)
An 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 the governmental activities.	<u>435,218</u>
Change in net position of governmental activities	<u><u>\$ 6,918,940</u></u>

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, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 14,628,353	\$ 15,656,893	\$ 15,656,893	\$ -
Income taxes	4,048,978	4,164,368	4,055,556	(108,812)
Payment in lieu of taxes	450,000	450,000	498,231	48,231
Tuition	669,696	693,316	783,889	90,573
Transportation fees	60,005	61,500	52,525	(8,975)
Earnings on investments	122,088	128,000	207,765	79,765
Extracurricular	184,369	190,000	197,905	7,905
Classroom materials and fees	-	192,885	199,265	6,380
Rental income	120,824	125,000	146,776	21,776
Other local revenues	139,467	170,238	224,014	53,776
Intergovernmental - state	18,921,337	19,380,278	19,286,880	(93,398)
Intergovernmental - federal	237,213	250,000	449,398	199,398
Total revenues	39,582,330	41,462,478	41,759,097	296,619
Expenditures:				
Current:				
Instruction:				
Regular	18,148,517	18,125,562	17,531,560	594,002
Special	4,619,324	4,801,725	4,615,206	186,519
Vocational	462,220	460,047	443,546	16,501
Other	414,693	405,379	376,200	29,179
Support services:				
Pupil	2,209,770	1,954,292	1,922,990	31,302
Instructional staff	441,522	428,487	417,072	11,415
Board of education	140,738	180,656	137,457	43,199
Administration	3,385,093	3,307,899	3,123,203	184,696
Fiscal	1,131,023	1,265,239	1,188,523	76,716
Business	15,341	15,092	8,209	6,883
Operations and maintenance	4,422,951	4,633,548	4,450,571	182,977
Pupil transportation	2,993,044	3,217,933	2,974,885	243,048
Central	561,258	521,127	444,386	76,741
Other operation of non-instructional services	221,366	269,866	199,265	70,601
Extracurricular activities	573,989	584,919	566,986	17,933
Facilities acquisition and construction	1,000	1,000	-	1,000
Debt service:				
Refunding bond issuance costs	12,698	412,160	412,160	-
Total expenditures	39,754,547	40,584,931	38,812,219	1,772,712
Excess (deficiency) of revenues over (under) expenditures	(172,217)	877,547	2,946,878	2,069,331
Other financing sources (uses):				
Premium on refunding bonds	-	-	412,160	412,160
Refund of prior year expenditures	-	-	15,565	15,565
Refund of prior year receipts	(10,000)	(10,000)	-	10,000
Sale of assets	-	-	81	81
Transfers in	-	1,432	1,432	-
Transfers (out)	(422,663)	(507,663)	(503,157)	4,506
Advances in	275,000	275,000	440,156	165,156
Advances (out)	(200,000)	(90,682)	(90,682)	-
Contingencies	-	(280,365)	-	280,365
Total other financing sources (uses)	(357,663)	(612,278)	275,555	887,833
Net change in fund balance	(529,880)	265,269	3,222,433	2,957,164
Fund balance at beginning of fiscal year	16,494,247	16,494,247	16,494,247	-
Prior fiscal year encumbrances appropriated	913,430	913,430	913,430	-
Fund balance at end of fiscal year	\$ 16,877,797	\$ 17,672,946	\$ 20,630,110	\$ 2,957,164

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Equity in pooled cash	
and cash equivalents	\$ 200,293
Cash with fiscal agent	<u>2,764,152</u>
Total assets.	<u>2,964,445</u>
Liabilities:	
Claims payable	<u>725,200</u>
Total liabilities	<u>725,200</u>
Net position:	
Unrestricted.	<u>2,239,245</u>
Total net position	<u><u>\$ 2,239,245</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, 2016

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	\$ 5,326,160
Total operating revenues	<u>5,326,160</u>
Operating expenses:	
Claims	<u>4,890,942</u>
Total operating expenses.	<u>4,890,942</u>
Operating income/change in net position. . .	435,218
Net position at beginning of fiscal year . .	<u>1,804,027</u>
Net position at end of fiscal year.	<u><u>\$ 2,239,245</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, 2016

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	\$ 5,326,160
Cash payments for claims	<u>(4,550,746)</u>
Net cash provided by operating activities	<u>775,414</u>
Net increase in cash and cash equivalents	775,414
Cash and cash equivalents at beginning of fiscal year	<u>2,189,031</u>
Cash and cash equivalents at end of fiscal year	<u><u>\$ 2,964,445</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 435,218
Changes in assets and liabilities:	
Increase in claims payable	<u>340,196</u>
Net cash provided by operating activities	<u><u>\$ 775,414</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, 2016**

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 32,243
Total assets.	<u>\$ 32,243</u>
Liabilities:	
Due to students	\$ 32,243
Total liabilities	<u>\$ 32,243</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 2015 was 3,741. The District employed 18 full-time administrators and coordinators, 244 full-time certified employees, and 133 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, 2016**

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 Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer association that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Educational Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. Financial information can be obtained from Dave Varda, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

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 13 school districts, the City of Lancaster, and two hospitals. 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, Liberty Union-Thurston Local School District, 1108 South Main Street, Baltimore, Ohio 43105-9700. See Note 15.C for further information.

Canal Winchester Joint Recreation District

The District has joined with the City of Canal Winchester in the creation of a joint recreation district known as the Canal Winchester Joint Recreation District (Recreation District). The Recreation District is established under Ohio Revised Code Chapter 755.14(C). The District appoints two members to act as the School Board representatives on the Recreation District Board. The Recreation District Board shall consist of five voting members: two members of the Canal Winchester City Council, two members of the Canal Winchester Local School District Board of Education, and one representative appointed by the Canal Winchester City Council. To obtain financial information for the Recreation District, write to the Fiscal Officer, at P.O. Box 753 Canal Winchester, Ohio, 43110.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

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 Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, See Note 16 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, See Note 16 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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.

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 2016 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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 fiscal 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 2016.

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.
7. Formal budgetary integration is employed as a management control device during the fiscal 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 fiscal 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 fiscal 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

During fiscal year 2016, the District's investments included commercial paper, negotiable certificates of deposit (CDs), Federal Home Loan Mortgage Corporation securities (FHLMC), Federal Home Loan Bank (FHLB) securities, Fannie Mae (FNMA), U.S. government money markets, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

During fiscal year 2016, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit.

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 2016 amounted to \$319,852, which includes \$89,812 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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.

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, 2016, 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, 2016, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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, net pension liability 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

S. 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.

T. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2016, the District has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA, Part B	\$ 31,059
Limited english proficiency	1
Title I disadvantaged children	52,088

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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.

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, 2016 was \$2,764,152.

B. Deposits with Financial Institutions

At June 30, 2016, the carrying amount of all District deposits was \$342,871. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$320,962 of the District's bank balance of \$570,962 was exposed to custodial risk as discussed below, while \$250,000 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

C. Investments

As of June 30, 2016, the District had the following investments and maturity:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
STAR Ohio	\$ 8,053,272	\$ 8,053,272	\$ -	\$ -	\$ -	\$ -
U.S. Government						
money market	3,402,811	3,402,811	-	-	-	-
Negotiable CDs	6,515,668	-	1,245,446	1,494,930	1,000,528	2,774,764
Commercial paper	1,747,970	1,747,970	-	-	-	-
FHLMC	3,501,983	-	-	-	1,250,673	2,251,310
FHLB	750,350	-	-	-	-	750,350
FNMA	2,501,409	-	-	-	-	2,501,409
Total	<u>\$ 26,473,463</u>	<u>\$ 13,204,053</u>	<u>\$ 1,245,446</u>	<u>\$ 1,494,930</u>	<u>\$ 2,251,201</u>	<u>\$ 8,277,833</u>

The District's investments in federal agency securities, negotiable certificates of deposit, commercial paper and U.S. Government money market are valued using quoted market prices (Level 1 inputs).

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

Credit Risk: 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 FHLMC, FHLB, and FNMA carries ratings of Aaa by Moodys and AA+ by Standard & Poor's. The U.S. government money market and negotiable CDs were not rated. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its 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, 2016:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

<u>Investment type</u>	<u>Fair value</u>	<u>% to total</u>
STAR Ohio	\$ 8,053,272	30.43
U.S. Government money market	3,402,811	12.85
Negotiable CDs	6,515,568	24.61
Commercial Paper	1,747,970	6.60
FHLMC	3,501,983	13.23
FHLB	750,350	2.83
FNMA	2,501,409	9.45
Total	<u>\$ 26,473,363</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, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 342,871
Cash with fiscal agent	2,764,152
Investments	<u>26,473,463</u>
Total	<u>\$ 29,580,486</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 29,548,243
Agency fund	<u>32,243</u>
Total	<u>\$ 29,580,486</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2016, as reported on the fund statements consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General	Nonmajor special revenue funds	\$ 84,199

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 2016 consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Debt service fund	\$ 372,663
Nonmajor permanent improvement capital projects fund	<u>100,000</u>
Total transfers	<u>\$ 472,663</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. 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.

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 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, 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 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 6 - PROPERTY TAXES - (Continued)

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 Counties by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$4,774,167 in the general fund and \$1,285,091 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$4,728,743 in the general fund and \$1,211,967 in the bond retirement 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, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 387,849,930	95.32	\$ 393,092,720	94.32
Public utility personal	<u>19,056,710</u>	<u>4.68</u>	<u>23,666,310</u>	<u>5.68</u>
Total	<u>\$ 406,906,640</u>	<u>100.00</u>	<u>\$ 416,759,030</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$ 78.70		\$ 78.91

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 \$498,231 in payments in lieu of taxes as a result of these agreements and a receivable of \$576,790 has been reported on the financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 \$4,244,871 and \$4,248,513, respectively, in fiscal year 2016.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2016 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	\$ 20,437,051
Income taxes	1,842,132
Payment in lieu of taxes	576,790
Accounts	38,854
Accrued interest	44,330
Intergovernmental:	
SERS receivable	14,616
Medicaid school program receivable	213,064
State foundation - FTE adjustments	1,007
IDEA, Part B	111,727
Title I school improvement	9,579
Limited english proficiency	3,050
Title I disadvantaged children	126,080
IDEA preschool - handicapped	586
Improving teacher quality	<u>30,476</u>
Total intergovernmental receivables	<u>\$ 510,185</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
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 10 - CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2016, was as follows:

	Balance			Balance
	<u>06/30/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>06/30/16</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,698,648	\$ -	\$ -	\$ 3,698,648
Construction in progress	<u>416,630</u>	<u>-</u>	<u>(416,630)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>4,115,278</u>	<u>-</u>	<u>(416,630)</u>	<u>3,698,648</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	90,951	-	-	90,951
Buildings and improvements	74,258,429	903,848	-	75,162,277
Furniture and equipment	5,489,237	556,989	(66,884)	5,979,342
Vehicles	<u>3,026,399</u>	<u>43,032</u>	<u>-</u>	<u>3,069,431</u>
Total capital assets, being depreciated	<u>82,865,016</u>	<u>1,503,869</u>	<u>(66,884)</u>	<u>84,302,001</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(37,162)	(1,071)	-	(38,233)
Buildings	(11,274,854)	(766,629)	-	(12,041,483)
Furniture and equipment	(3,175,831)	(372,675)	24,282	(3,524,224)
Vehicles	<u>(1,707,434)</u>	<u>(191,180)</u>	<u>-</u>	<u>(1,898,614)</u>
Total accumulated depreciation	<u>(16,195,281)</u>	<u>(1,331,555)</u>	<u>24,282</u>	<u>(17,502,554)</u>
Governmental activities capital assets, net	<u>\$ 70,785,013</u>	<u>\$ 172,314</u>	<u>\$ (459,232)</u>	<u>\$ 70,498,095</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 597,610
Special	87,668
Vocational	19,280
<u>Support services:</u>	
Pupil	42,003
Instructional staff	47,125
Board of education	3,167
Administration	101,932
Fiscal	9,526
Operations and maintenance	94,219
Pupil transportation	217,335
Central	5,515
Food service operations	29,688
Extracurricular activities	<u>76,487</u>
Total depreciation expense	<u>\$ 1,331,555</u>

NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During 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 as functional expenditures in the budgetary statements. At June 30, 2016, the capital assets acquired by the capital lease obligations outstanding at fiscal year-end have been capitalized in the amount of \$306,212, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2016 was \$239,156, leaving a current book value of \$67,056.

A corresponding liability is recorded in the statement of net position. Principal and interest payments in fiscal year 2016 totaled \$50,610 and \$8,289, respectively, in the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016:

<u>Fiscal Year Ending June 30,</u>	<u>Copiers</u>
2017	\$ 53,103
2018	<u>36,915</u>
Total minimum lease payments	90,018
Less: amount representing interest	<u>(6,153)</u>
Total	<u>\$ 83,865</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, 2016, 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, 2016 was \$97,031, leaving a current book value of \$976,140. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2016 totaled \$56,463 and \$42,157, 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, 2016.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2017	\$ 98,620
2018	98,620
2019	98,620
2020	98,620
2021	98,620
2022 - 2026	493,100
2027	<u>73,969</u>
Total minimum lease payments	1,060,169
Less: amount representing interest	<u>(239,325)</u>
Present value of minimum lease payments	<u>\$ 820,844</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations activity during fiscal year 2016 consisted of the following.

	Balance			Balance	Amounts
	<u>06/30/15</u>	Additions	Reductions	<u>06/30/16</u>	<u>Due in</u> <u>One Year</u>
Governmental activities:					
General obligation bonds	\$ 59,500,782	\$ 36,558,015	\$ (37,640,000)	\$ 58,418,797	\$ 3,400,000
Energy conservation notes	1,826,145	10,749	(135,000)	1,701,894	140,000
School bus notes	1,005,000	-	(165,000)	840,000	165,000
Lease purchase agreement	877,307	-	(56,463)	820,844	59,322
Capital lease obligation	134,475	-	(50,610)	83,865	48,353
Compensated absences	918,107	305,211	(185,755)	1,037,563	189,249
Net pension liability:					
STRS	36,517,415	5,464,103	-	41,981,518	-
SERS	<u>7,470,053</u>	<u>1,112,927</u>	<u>-</u>	<u>8,582,980</u>	<u>-</u>
Total net pension liability	<u>43,987,468</u>	<u>6,577,030</u>	<u>-</u>	<u>50,564,498</u>	<u>-</u>
Total long-term obligations, governmental activities	<u>\$ 108,249,284</u>	<u>\$ 43,451,005</u>	<u>\$ (38,232,828)</u>	<u>113,467,461</u>	<u>\$ 4,001,924</u>
Add: Unamortized premium on refunding				<u>3,724,043</u>	
Total on the statement of net position				<u>\$ 117,191,504</u>	

B. General Obligation Bonds

The District has eight outstanding general obligation bond issues at June 30, 2016. 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
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2016:

General obligation bonds:	<u>Balance</u> <u>06/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/16</u>
Series 2000 - current interest bonds	\$ 830,000	\$ -	\$ (5,000)	\$ 825,000
Series 2001 - capital appreciation bonds	184,843	-	(91,153)	93,690
Series 2001 - accreted interest	<u>955,156</u>	<u>90,425</u>	<u>(488,847)</u>	<u>556,734</u>
	<u>1,139,999</u>	<u>90,425</u>	<u>(580,000)</u>	<u>650,424</u>
Series 2005-A - refunding current interest bonds	1,000,000	-	(1,000,000)	-
Series 2005-A - refunding capital appreciation bonds	245,000	-	-	245,000
Series 2005-A - accreted interest	<u>304,246</u>	<u>45,189</u>	<u>-</u>	<u>349,435</u>
	<u>1,549,246</u>	<u>45,189</u>	<u>(1,000,000)</u>	<u>594,435</u>
Series 2005-B - refunding and school facilities construction current interest bonds	80,000	-	(80,000)	-
Series 2005-B - refunding capital appreciation bonds	3,600,000	-	-	3,600,000
Series 2005-B - accreted interest	<u>3,743,097</u>	<u>541,346</u>	<u>-</u>	<u>4,284,443</u>
	<u>7,423,097</u>	<u>541,346</u>	<u>(80,000)</u>	<u>7,884,443</u>
Series 2007 - refunding current interest bonds	40,505,000	-	(35,750,000)	4,755,000
Series 2007 - refunding capital appreciation bonds	4,983	-	-	4,983
Series 2007 - accreted interest	<u>142,663</u>	<u>75,776</u>	<u>-</u>	<u>218,439</u>
	<u>40,652,646</u>	<u>75,776</u>	<u>(35,750,000)</u>	<u>4,978,422</u>
Series 2011 - current interest serial bonds	310,000	-	(75,000)	235,000
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	<u>44,474</u>	<u>18,521</u>	<u>-</u>	<u>62,995</u>
	<u>2,499,474</u>	<u>18,521</u>	<u>(75,000)</u>	<u>2,442,995</u>
Series 2013 - refunding current interest bonds	5,145,000	-	(150,000)	4,995,000
Series 2013 - refunding capital appreciation bonds	139,997	-	-	139,997
Series 2013 - accreted interest	<u>121,323</u>	<u>90,927</u>	<u>-</u>	<u>212,250</u>
	<u>5,406,320</u>	<u>90,927</u>	<u>(150,000)</u>	<u>5,347,247</u>
Series 2016 - refunding current interest bonds	-	32,960,000	-	32,960,000
Series 2016 - refunding capital appreciation bonds	-	2,580,000	-	2,580,000
Series 2016 - accreted interest	<u>-</u>	<u>155,831</u>	<u>-</u>	<u>155,831</u>
	<u>-</u>	<u>35,695,831</u>	<u>-</u>	<u>35,695,831</u>
Total general obligation bonds payable	<u>\$ 59,500,782</u>	<u>\$ 36,558,015</u>	<u>\$(37,640,000)</u>	<u>\$ 58,418,797</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 \$825,000 at June 30, 2016.

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, 2016, is \$7,310,000.

At June 30, 2016, the non-refunded portion of this issue is comprised of capital appreciation bonds, par value \$93,690. The capital appreciation bonds mature on 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 \$680,000 at June 30, 2016. A total of \$556,734 in accreted interest on the capital appreciation bonds has been included in the statement of net position at June 30, 2016.

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 that were due December 1, 2016. This refunded debt was considered defeased (in-substance) and accordingly, was been removed from the statement of net position.

At June 30, 2016, the non-refunded portion of the debt issue is comprised of capital appreciation bonds, par value \$245,000. The capital appreciation bonds mature 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 \$665,000. Total accreted interest of \$349,435 has been included in the statement of net position.

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.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 was 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, 2016 is \$28,635,000. 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, 2016, 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, 2016, the non-refunded portion of the debt issue is comprised of capital appreciation bonds, par value \$3,600,000. 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 \$4,284,443 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.

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.

On March 1, 2016, the District advance refunded (Series 2016 Taxable Refunding Bonds) \$35,540,000 of the 2007 current interest serial and term bonds that were due December 1, 2017 through December 1, 2027. This refunded debt was considered defeased (in-substance) and accordingly, was 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, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

At June 30, 2016, the non-refunding portion of the debt issue is comprised of both current interest bonds, par value \$4,755,000, and a capital appreciation bond, par value \$4,983. The interest rate on the current interest bonds ranges from 5.00-5.25 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 bond is \$3,300,000. Total accreted interest of \$218,439 has been included in the statement of net position.

The reacquisition price of the original Series 2007 issue 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. At June 30, 2016, the debt issue is comprised of current interest serial bonds (par value \$235,000), 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 \$62,995 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:

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

At June 30, 2016, the debt issue is comprised of both current interest bonds, par value \$4,995,000, 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.

Series 2016 Taxable Advance Refunding Bonds

On March 1, 2016, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 2007 Advance Refunding Bonds (principal \$35,540,000). The issuance proceeds of \$35,540,000 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.

At June 30, 2016, the debt issue is comprised of both current interest serial bonds, par value \$32,960,000, and capital appreciation bonds, par value \$2,580,000. The interest rate on the current interest bonds ranges from 0.888-3.23 percent. The capital appreciation bonds mature December 1, 2018 (stated interest 1.891 percent), and December 1, 2019 (stated interest 2.126 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 \$1,237,833. 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 net present value savings of the refunding was \$2,245,344.

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
2017	\$ 2,530,000	\$ 1,293,050	\$ 3,823,050	\$ 157,990	\$ 712,010	\$ 870,000
2018	2,750,000	1,255,771	4,005,771	270,000	475,000	745,000
2019	1,120,000	1,230,698	2,350,698	1,410,000	1,255,000	2,665,000
2020	1,295,000	1,209,927	2,504,927	1,195,000	1,605,000	2,800,000
2021	3,710,000	1,161,861	4,871,861	75,697	639,303	715,000
2022 - 2026	19,655,000	4,545,263	24,200,263	264,983	4,510,017	4,775,000
2027 - 2031	13,695,000	1,164,378	14,859,378	1,470,000	6,440,000	7,910,000
2032 - 2036	650,000	165,756	815,756	1,870,000	9,995,000	11,865,000
2037 - 2039	460,000	29,610	489,610	-	-	-
Total	\$ 45,865,000	\$ 12,056,314	\$ 57,921,314	\$ 6,713,670	\$ 25,631,330	\$ 32,345,000

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016:

	Balance			Balance
	<u>06/30/15</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/16</u>
Energy Conservation Notes:				
Current interest serial notes	\$ 865,000	\$ -	\$ (135,000)	\$ 730,000
Current interest term notes	850,000	-	-	850,000
Capital appreciation notes	80,000	-	-	80,000
Accreted interest	<u>31,145</u>	<u>10,749</u>	<u>-</u>	<u>41,894</u>
Total	<u>\$ 1,826,145</u>	<u>\$ 10,749</u>	<u>\$ (135,000)</u>	<u>\$ 1,701,894</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 \$41,894 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 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 to be Redeemed</u>
2025	\$ 170,000
2026	175,000
2027	180,000

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	Current Interest Serial/Term Notes			Capital Appreciation Notes		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 140,000	\$ 48,800	\$ 188,800	\$ -	\$ -	\$ -
2018	-	47,050	47,050	80,000	60,000	140,000
2019	140,000	44,950	184,950	-	-	-
2020	145,000	40,675	185,675	-	-	-
2021	150,000	36,250	186,250	-	-	-
2022 - 2026	825,000	101,819	926,819	-	-	-
2027	180,000	3,015	183,015	-	-	-
Total	<u>\$ 1,580,000</u>	<u>\$ 322,559</u>	<u>\$ 1,902,559</u>	<u>\$ 80,000</u>	<u>\$ 60,000</u>	<u>\$ 140,000</u>

D. School Bus Notes

The following is a summary of the District's school bus notes outstanding at June 30, 2016:

	Balance 06/30/15	Additions	Reductions	Balance 06/30/16
School bus notes - 2014A	\$ 180,000	\$ -	\$ (90,000)	\$ 90,000
School bus notes - 2014B	825,000	-	(75,000)	750,000
Total	<u>\$ 1,005,000</u>	<u>\$ -</u>	<u>\$ (165,000)</u>	<u>\$ 840,000</u>

On March 5, 2014, the District issued \$245,000 in long-term general obligation school bus notes for the purpose of acquiring school buses. The debt issue is comprised of current interest notes with an interest rate of 1.380 percent. 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 notes is December 1, 2016.

On October 23, 2014, the District issued \$835,000 in long-term general obligation school bus notes for the purpose of acquiring school buses. The debt issue is comprised of current interest notes with an interest rate of 2.40 percent. 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 notes is December 1, 2024.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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

Year Ended	Current Interest Notes		
	Principal	Interest	Total
2017	\$ 165,000	\$ 17,721	\$ 182,721
2018	80,000	15,240	95,240
2019	80,000	13,320	93,320
2020	80,000	11,400	91,400
2021	85,000	9,420	94,420
2022 - 2025	350,000	17,040	367,040
Total	\$ 840,000	\$ 84,141	\$ 924,141

E. 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).

Net Pension Liability

The District pays obligations related to employee compensation from the fund benefitting their service. See Note 16 to the notes to the basic financial statements for details.

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.

F. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

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

The classified personnel accumulate vacation based on the following schedule:

<u>Eleven Month Classified</u>		<u>Twelve Month Classified</u>	
Years Service	Vacation Days Per Month	Years Service	Vacation Days Per Month
0 - 15	.834	0 - 15	1
6 - 10	1	6 - 10	1.167
11 - 15	1.25	11 - 15	1.417
16 - 20	1.667	16 - 20	1.834

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 14 - COMPENSATED ABSENCES - (Continued)

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.

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 resignation if the employee has been employed by the District for a minimum of fifteen consecutive years at the time of resignation

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 2016, the District has contracted with commercial carriers for property and general liability insurance.

The District maintains replacement cost insurance on buildings and contents of \$110,501,124. 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 fiscal year.

B. Workers' Compensation

For the period July 1, 2013 through December 31, 2013, 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.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 15 - RISK MANAGEMENT - (Continued)

For calendar years 2014 through 2016, 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.

C. Health Insurance

The District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. SCOIC is a risk sharing, claims servicing, and insurance purchasing pool for medical, dental, and prescription drug coverage on a self-insured basis. SCOIC currently contracts with Employees Benefits Management Corporation (EBMC) to service the claims of SCOIC members. The SCOIC members are considered self-insured and pay a monthly premium 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 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 participations, 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 the Jefferson Health Plan from \$100,000 to \$500,000. SCOIC members were covered under stop loss coverage for claims over \$500,000. In the event that the District would withdraw from SCOIC, the District was required to give 180-day notice prior to the end of their three year contract, was responsible for all run-out claims, and had no rights to share any surplus funds of SCOIC. SCOIC was with Jefferson Health Plan for stop-loss insurance through June 30, 2019.

A summary of changes in self-insurance claims for the fiscal years ended June 30, 2016 and June 30, 2015:

	<u>2016</u>	<u>2015</u>
Claim Liabilities at Beginning of Year	\$ 385,004	\$ 693,500
Incurred Claims	4,890,942	5,139,201
Claims Paid	<u>(4,550,746)</u>	<u>(5,447,697)</u>
Claim Liabilities at End of year	<u>\$ 725,200</u>	<u>\$ 385,004</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 16 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$688,001 for fiscal year 2016. Of this amount, \$40,694 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,337,604 for fiscal year 2016. Of this amount, \$397,068 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 8,582,980	\$ 41,981,518	\$ 50,564,498
Proportion of the net pension liability	0.15041770%	0.15190290%	
Pension expense	\$ 582,515	\$ 1,930,635	\$ 2,513,150

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 137,455	\$ 1,910,718	\$ 2,048,173
Changes in proportionate share	107,997	437,573	545,570
District contributions subsequent to the measurement date	<u>688,001</u>	<u>2,337,604</u>	<u>3,025,605</u>
Total deferred outflows of resources	<u>\$ 933,453</u>	<u>\$ 4,685,895</u>	<u>\$ 5,619,348</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 267,036</u>	<u>\$ 2,959,514</u>	<u>\$ 3,226,550</u>

\$3,025,605 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2017	\$ (63,455)	\$ (553,075)	\$ (616,530)
2018	(63,455)	(553,075)	(616,530)
2019	(63,456)	(553,076)	(616,532)
2020	<u>168,782</u>	<u>1,048,003</u>	<u>1,216,785</u>
Total	<u>\$ (21,584)</u>	<u>\$ (611,223)</u>	<u>\$ (632,807)</u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
Total	<u><u>100.00 %</u></u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
District's proportionate share of the net pension liability	\$ 11,901,509	\$ 8,582,980	\$ 5,788,505

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS’ investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u><u>100.00 %</u></u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 58,315,496	\$ 41,981,518	\$ 28,168,704

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$79,050.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$79,050, \$109,756, and \$76,126, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 17 - POSTEMPLOYMENT BENEFITS

B. State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$155,275, respectively. The full amount has been contributed for fiscal year 2014.

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:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 3,222,433
Net adjustment for revenue accruals	303,627
Net adjustment for expenditure accruals	77,056
Net adjustment for other sources/uses	(336,058)
Funds budgeted elsewhere *	47,866
Adjustment for encumbrances	1,219,668
GAAP basis	\$ 4,534,592

*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.

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, 2016, 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.

C. Foundation Funding

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2015-2016 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 fiscal 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 fiscal 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, 2015	\$ -
Current fiscal year set-aside requirement	618,309
Current fiscal year qualifying expenditures	(1,072,814)
Current fiscal year offsets	<u>(454,505)</u>
Total	<u>\$ (909,010)</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

NOTE 21 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Fiscal Year-End Encumbrances</u>
General fund	\$ 900,814
Other governmental	<u>107,732</u>
Total	<u>\$ 1,008,546</u>

NOTE 22 - SIGINFICANT SUBSEQUENT EVENTS

Effective August 1, 2016, Nick Roberts became the Treasurer of the District.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.15041770%	0.14760200%	0.14760200%
District's proportionate share of the net pension liability	\$ 8,582,980	\$ 7,470,053	\$ 8,777,417
District's covered-employee payroll	\$ 4,528,354	\$ 4,289,033	\$ 3,943,353
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	222.59%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

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

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.15190290%	0.15013248%	0.15013248%
District's proportionate share of the net pension liability	\$ 41,981,518	\$ 36,517,415	\$ 43,499,306
District's covered-employee payroll	\$ 16,140,071	\$ 15,339,392	\$ 15,241,146
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	260.11%	238.06%	285.41%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

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

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 688,001	\$ 596,837	\$ 594,460	\$ 545,760
Contributions in relation to the contractually required contribution	<u>(688,001)</u>	<u>(596,837)</u>	<u>(594,460)</u>	<u>(545,760)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,914,293	\$ 4,528,354	\$ 4,289,033	\$ 3,943,353
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 585,304	\$ 542,280	\$ 546,021	\$ 351,771	\$ 356,373	\$ 366,028
<u>(585,304)</u>	<u>(542,280)</u>	<u>(546,021)</u>	<u>(351,771)</u>	<u>(356,373)</u>	<u>(366,028)</u>
<u>\$ -</u>					
\$ 4,351,703	\$ 4,314,081	\$ 4,032,651	\$ 3,574,909	\$ 3,629,053	\$ 3,427,228
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,337,604	\$ 2,259,610	\$ 1,994,121	\$ 1,981,349
Contributions in relation to the contractually required contribution	<u>(2,337,604)</u>	<u>(2,259,610)</u>	<u>(1,994,121)</u>	<u>(1,981,349)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 16,697,171	\$ 16,140,071	\$ 15,339,392	\$ 15,241,146
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,917,062	\$ 2,061,140	\$ 1,940,039	\$ 1,819,502	\$ 1,788,225	\$ 1,647,417
<u>(1,917,062)</u>	<u>(2,061,140)</u>	<u>(1,940,039)</u>	<u>(1,819,502)</u>	<u>(1,788,225)</u>	<u>(1,647,417)</u>
<u>\$ -</u>					
\$ 14,746,631	\$ 15,854,923	\$ 14,923,377	\$ 13,996,169	\$ 13,755,577	\$ 12,672,438
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2016. See the notes to the basic financials for the methods and assumptions in this calculation.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2016. See the notes to the basic financials for the methods and assumptions in this calculation.

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total Revenues and Other Sources	\$ 4,662,535	\$ 42,483,886	\$ 42,483,886	\$ -
Total Expenditures and Other Uses	<u>4,604,764</u>	<u>41,582,339</u>	<u>41,582,339</u>	<u>-</u>
Net Change in Fund Balances	57,771	901,547	901,547	-
Fund Balance at Beginning of Fiscal Year	<u>2,133,357</u>	<u>2,133,357</u>	<u>2,133,357</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 2,191,128</u>	<u>\$ 3,034,904</u>	<u>\$ 3,034,904</u>	<u>\$ -</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.

Straight A Fund

This fund accounts for grant monies received through the Straight A Programs which are restricted for projects that will provide for advancement in student achievement, achieve spending reductions in the five-year forecast or allow a greater share of resources to be utilized in the classroom.

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.

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 fund is :

Permanent Improvement Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,146,540	\$ 270,595	\$ 1,417,135
Receivables:			
Accounts	4,090	1,200	5,290
Intergovernmental	281,498	-	281,498
Prepayments	27	-	27
Materials and supplies inventory	3,546	-	3,546
Inventory held for resale	17,688	-	17,688
	<u>\$ 1,453,389</u>	<u>\$ 271,795</u>	<u>\$ 1,725,184</u>
Liabilities:			
Accounts payable	\$ 15,942	\$ -	\$ 15,942
Accrued wages and benefits payable	186,010	-	186,010
Pension and postemployment benefits payable	56,217	-	56,217
Intergovernmental payable	1,799	-	1,799
Interfund loans payable	84,199	-	84,199
	<u>344,167</u>	<u>-</u>	<u>344,167</u>
Deferred inflows of resources:			
Intergovernmental revenue not available	106,394	-	106,394
	<u>106,394</u>	<u>-</u>	<u>106,394</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	3,546	-	3,546
Prepays	27	-	27
Restricted:			
Classroom facilities maintenance	265,765	-	265,765
Food service operations	657,807	-	657,807
Non-public schools	20,337	-	20,337
Special education	1	-	1
Targeted academic assistance	5,379	-	5,379
Other purposes	34,070	-	34,070
Student activities	99,044	-	99,044
Committed:			
Capital improvements	-	271,795	271,795
Unassigned (deficit)	(83,148)	-	(83,148)
	<u>1,002,828</u>	<u>271,795</u>	<u>1,274,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,453,389</u>	<u>\$ 271,795</u>	<u>\$ 1,725,184</u>

**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, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 1,275	\$ -	\$ 1,275
Charges for services	702,934	-	702,934
Extracurricular	293,701	-	293,701
Rental income	1,975	-	1,975
Contributions and donations	13,175	-	13,175
Other local revenues	95,497	13,600	109,097
Intergovernmental - state	433,194	-	433,194
Intergovernmental - federal	2,087,976	-	2,087,976
Total revenues	3,629,727	13,600	3,643,327
Expenditures:			
Current:			
Instruction:			
Regular	438,205	-	438,205
Special	518,052	-	518,052
Other	544,470	-	544,470
Support services:			
Pupil	107,696	-	107,696
Instructional staff	89,424	-	89,424
Administration	155,132	-	155,132
Operations and maintenance	4,415	-	4,415
Pupil transportation	1,662	-	1,662
Central	7,200	-	7,200
Operation of non-instructional services:			
Food service operations	1,551,154	-	1,551,154
Extracurricular activities	279,408	-	279,408
Facilities acquisition and construction	396,942	-	396,942
Total expenditures	4,093,760	-	4,093,760
Excess (deficiency) of revenues over (under) expenditures	(464,033)	13,600	(450,433)
Other financing sources:			
Transfers in	-	100,000	100,000
Total other financing sources	-	100,000	100,000
Net change in fund balances	(464,033)	113,600	(350,433)
Fund balances at beginning of fiscal year	1,466,861	158,195	1,625,056
Fund balances at end of fiscal year	\$ 1,002,828	\$ 271,795	\$ 1,274,623

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Food Service</u>	<u>Special Trust</u>	<u>Endowment</u>	<u>Other Grants</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 687,237	\$ 10,023	\$ 5,120	\$ 19,407
Receivables:				
Accounts	3,350	-	-	-
Intergovernmental	-	-	-	-
Prepayments	27	-	-	-
Materials and supplies inventory	3,546	-	-	-
Inventory held for resale	17,688	-	-	-
Total assets	<u>\$ 711,848</u>	<u>\$ 10,023</u>	<u>\$ 5,120</u>	<u>\$ 19,407</u>
Liabilities:				
Accounts payable	\$ 7,671	\$ -	\$ -	\$ 480
Accrued wages and benefits payable	9,272	-	-	-
Pension and postemployment benefits payable	33,459	-	-	-
Intergovernmental payable	66	-	-	-
Interfund loans payable	-	-	-	-
Total liabilities	<u>50,468</u>	<u>-</u>	<u>-</u>	<u>480</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	3,546	-	-	-
Prepays	27	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	657,807	-	-	-
Non-public schools	-	-	-	-
Special education	-	-	-	-
Targeted academic assistance	-	-	-	-
Other purposes	-	10,023	5,120	18,927
Student activities	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	<u>661,380</u>	<u>10,023</u>	<u>5,120</u>	<u>18,927</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 711,848</u>	<u>\$ 10,023</u>	<u>\$ 5,120</u>	<u>\$ 19,407</u>

<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>IDEA, Part B</u>	<u>Title I School Improvement</u>	<u>Limited English Proficiency</u>
\$ 265,765	\$ 101,369	\$ 54,052	\$ -	\$ -	\$ 2,048
-	740	-	-	-	-
-	-	-	111,727	9,579	3,050
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 265,765</u>	<u>\$ 102,109</u>	<u>\$ 54,052</u>	<u>\$ 111,727</u>	<u>\$ 9,579</u>	<u>\$ 5,098</u>
\$ -	\$ 3,065	\$ 4,556	\$ -	\$ -	\$ -
-	-	25,809	59,440	-	-
-	-	3,068	6,802	1,730	-
-	-	282	637	-	-
-	-	-	26,130	3,724	2,930
-	3,065	33,715	93,009	5,454	2,930
-	-	-	49,777	26	2,169
-	-	-	49,777	26	2,169
-	-	-	-	-	-
-	-	-	-	-	-
265,765	-	-	-	-	-
-	-	-	-	-	-
-	-	20,337	-	-	-
-	-	-	-	-	-
-	-	-	-	4,099	-
-	-	-	-	-	-
-	99,044	-	-	-	-
-	-	-	(31,059)	-	(1)
<u>265,765</u>	<u>99,044</u>	<u>20,337</u>	<u>(31,059)</u>	<u>4,099</u>	<u>(1)</u>
<u>\$ 265,765</u>	<u>\$ 102,109</u>	<u>\$ 54,052</u>	<u>\$ 111,727</u>	<u>\$ 9,579</u>	<u>\$ 5,098</u>

- - (Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2016

	Title I Disadvantaged Children	IDEA Preschool - Handicapped	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1	\$ 1,518	\$ 1,146,540
Receivables:				
Accounts	-	-	-	4,090
Intergovernmental	126,080	586	30,476	281,498
Prepayments	-	-	-	27
Materials and supplies inventory	-	-	-	3,546
Inventory held for resale	-	-	-	17,688
Total assets	<u>\$ 126,080</u>	<u>\$ 587</u>	<u>\$ 31,994</u>	<u>\$ 1,453,389</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 170	\$ 15,942
Accrued wages and benefits payable	91,489	-	-	186,010
Pension and postemployment benefits payable	10,678	-	480	56,217
Intergovernmental payable	814	-	-	1,799
Interfund loan payable	22,853	584	27,978	84,199
Total liabilities	<u>125,834</u>	<u>584</u>	<u>28,628</u>	<u>344,167</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	52,334	2	2,086	106,394
Total deferred inflows of resources	<u>52,334</u>	<u>2</u>	<u>2,086</u>	<u>106,394</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	3,546
Prepays	-	-	-	27
Restricted:				
Classroom facilities maintenance	-	-	-	265,765
Food service operations	-	-	-	657,807
Non-public schools	-	-	-	20,337
Special education	-	1	-	1
Targeted academic assistance	-	-	1,280	5,379
Other purposes	-	-	-	34,070
Student activities	-	-	-	99,044
Unassigned (deficits)	(52,088)	-	-	(83,148)
Total fund balances (deficits)	<u>(52,088)</u>	<u>1</u>	<u>1,280</u>	<u>1,002,828</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 126,080</u>	<u>\$ 587</u>	<u>\$ 31,994</u>	<u>\$ 1,453,389</u>

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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, 2016

	Food Service	Special Trust	Endowment	Other Grants
Revenues:				
From local sources:				
Earnings on investments.	\$ 1,046	\$ 16	\$ 8	\$ -
Charges for services	702,934	-	-	-
Extracurricular	-	-	-	-
Rental income.	-	-	-	1,975
Contributions and donations.	-	5,500	-	-
Other local revenues.	91,938	-	-	3,559
Intergovernmental - state	12,108	-	-	-
Intergovernmental - federal	778,486	-	-	-
Total revenues	1,586,512	5,516	8	5,534
Expenditures:				
Current:				
Instruction:				
Regular.	-	6,145	-	8,054
Special	-	-	-	2,567
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operations and maintenance.	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,551,154	-	-	-
Extracurricular activities.	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	1,551,154	6,145	-	10,621
Net change in fund balances	35,358	(629)	8	(5,087)
Fund balances at beginning of fiscal year	626,022	10,652	5,112	24,014
Fund balances (deficits) at end of fiscal year	\$ 661,380	\$ 10,023	\$ 5,120	\$ 18,927

Classroom Facilities Maintenance	District Managed Student Activities	Auxiliary Services	Data Communication	Straight A	IDEA, Part B	Title I School Improvement
\$ -	\$ -	\$ 205	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	293,701	-	-	-	-	-
-	7,675	-	-	-	-	-
-	-	-	-	-	-	-
-	-	403,269	7,200	10,617	-	-
-	-	-	-	-	541,773	12,905
-	301,376	403,474	7,200	10,617	541,773	12,905
-	-	218,954	-	8,138	612	-
-	-	71,193	-	-	425,029	-
-	-	-	-	-	-	8,773
-	-	107,696	-	-	-	-
-	-	-	-	19,571	2,299	-
-	-	-	-	57	155,075	-
4,415	-	-	-	-	-	-
-	-	-	-	-	-	1,662
-	-	-	7,200	-	-	-
-	-	-	-	-	-	-
-	279,408	-	-	-	-	-
396,942	-	-	-	-	-	-
401,357	279,408	397,843	7,200	27,766	583,015	10,435
(401,357)	21,968	5,631	-	(17,149)	(41,242)	2,470
667,122	77,076	14,706	-	17,149	10,183	1,629
\$ 265,765	\$ 99,044	\$ 20,337	\$ -	\$ -	\$ (31,059)	\$ 4,099

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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 (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Limited English Proficiency	Title I Disadvantaged Children	IDEA Preschool - Handicapped	Improving Teacher Quality
Revenues:				
From local sources:				
Earnings on investments.	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Rental income.	-	-	-	-
Contributions and donations.	-	-	-	-
Other local revenues.	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	12,995	677,670	5,317	58,830
Total revenues	12,995	677,670	5,317	58,830
Expenditures:				
Current:				
Instruction:				
Regular.	-	196,302	-	-
Special	13,947	-	5,316	-
Other	-	535,697	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	67,554
Administration	-	-	-	-
Operations and maintenance.	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	13,947	731,999	5,316	67,554
Net change in fund balances	(952)	(54,329)	1	(8,724)
Fund balances at beginning of fiscal year	951	2,241	-	10,004
Fund balances (deficits) at end of fiscal year	\$ (1)	\$ (52,088)	\$ 1	\$ 1,280

**Total
Nonmajor
Special Revenue
Funds**

\$ 1,275
702,934
293,701
1,975
13,175
95,497
433,194
2,087,976
3,629,727

438,205
518,052
544,470

107,696
89,424
155,132
4,415
1,662
7,200

1,551,154
279,408
396,942

4,093,760

(464,033)

1,466,861

\$ 1,002,828

**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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total Revenues and Other Sources	\$ 1,300,000	\$ 1,419,771	\$ 1,490,362	\$ 70,591
Total Expenditures and Other Uses	<u>1,471,859</u>	<u>1,506,744</u>	<u>1,494,404</u>	<u>12,340</u>
Net Change in Fund Balance	(171,859)	(86,973)	(4,042)	82,931
Fund Balance at Beginning of Fiscal Year	631,026	631,026	631,026	-
Prior Fiscal Year Encumbrances Appropriated	<u>16,876</u>	<u>16,876</u>	<u>16,876</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 476,043</u>	<u>\$ 560,929</u>	<u>\$ 643,860</u>	<u>\$ 82,931</u>
Special Trust				
Total Revenues and Other Sources	\$ 5,000	\$ 5,516	\$ 5,516	\$ -
Total Expenditures and Other Uses	<u>645</u>	<u>6,145</u>	<u>6,145</u>	<u>-</u>
Net Change in Fund Balance	4,355	(629)	(629)	-
Fund Balance at Beginning of Fiscal Year	<u>10,652</u>	<u>10,652</u>	<u>10,652</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 15,007</u>	<u>\$ 10,023</u>	<u>\$ 10,023</u>	<u>\$ -</u>
Endowment				
Total Revenues and Other Sources	\$ 10	\$ 8	\$ 8	\$ -
Total Expenditures and Other Uses	<u>111</u>	<u>111</u>	<u>-</u>	<u>111</u>
Net Change in Fund Balance	(101)	(103)	8	111
Fund Balance at Beginning of Fiscal Year	<u>5,112</u>	<u>5,112</u>	<u>5,112</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 5,011</u>	<u>\$ 5,009</u>	<u>\$ 5,120</u>	<u>\$ 111</u>
Other Grants				
Total Revenues and Other Sources	\$ 8,500	\$ 4,534	\$ 5,534	\$ 1,000
Total Expenditures and Other Uses	<u>9,608</u>	<u>13,168</u>	<u>13,121</u>	<u>47</u>
Net Change in Fund Balance	(1,108)	(8,634)	(7,587)	1,047
Fund Balance at Beginning of Fiscal Year	<u>24,014</u>	<u>24,014</u>	<u>24,014</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 22,906</u>	<u>\$ 15,380</u>	<u>\$ 16,427</u>	<u>\$ 1,047</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Classroom Facilities Maintenance				
Total Expenditures and Other Uses	\$ 667,881	\$ 667,881	\$ 402,116	\$ 265,765
Net Change in Fund Balance	(667,881)	(667,881)	(402,116)	265,765
Fund Balance at Beginning of Fiscal Year	248,654	248,654	248,654	-
Prior Fiscal Year Encumbrances Appropriated	419,227	419,227	419,227	-
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 265,765</u>	<u>\$ 265,765</u>
District Managed Student Activities				
Total Revenues and Other Sources	\$ 290,000	\$ 301,706	\$ 301,706	\$ -
Total Expenditures and Other Uses	106,669	377,712	293,142	84,570
Net Change in Fund Balance	183,331	(76,006)	8,564	84,570
Fund Balance at Beginning of Fiscal Year	70,378	70,378	70,378	-
Prior Fiscal Year Encumbrances Appropriated	5,628	5,628	5,628	-
Fund Balance at End of Fiscal Year	<u>\$ 259,337</u>	<u>\$ -</u>	<u>\$ 84,570</u>	<u>\$ 84,570</u>
Auxiliary Services				
Total Revenues and Other Sources	\$ 385,000	\$ 403,474	\$ 403,474	\$ -
Total Expenditures and Other Uses	432,873	451,448	405,234	46,214
Net Change in Fund Balance	(47,873)	(47,974)	(1,760)	46,214
Fund Balance at Beginning of Fiscal Year	42,909	42,909	42,909	-
Prior Fiscal Year Encumbrances Appropriated	5,065	5,065	5,065	-
Fund Balance at End of Fiscal Year	<u>\$ 101</u>	<u>\$ -</u>	<u>\$ 46,214</u>	<u>\$ 46,214</u>
Data Communication				
Total Revenues and Other Sources	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
Total Expenditures and Other Uses	-	7,200	7,200	-
Net Change in Fund Balance	7,200	-	-	-
Fund Balance at Beginning of Fiscal Year	-	-	-	-
Fund Balance at End of Fiscal 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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Straight A				
Total Revenues and Other Sources	\$ 61,671	\$ 61,671	\$ 61,671	\$ -
Total Expenditures and Other Uses	<u>92,289</u>	<u>92,289</u>	<u>92,289</u>	<u>-</u>
Net Change in Fund Balance	(30,618)	(30,618)	(30,618)	-
Fund Balance at Beginning of Fiscal Year	-	-	-	-
Prior Fiscal Year Encumbrances Appropriated	<u>30,618</u>	<u>30,618</u>	<u>30,618</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IDEA, Part B				
Total Revenues and Other Sources	\$ 677,606	\$ 703,736	\$ 575,912	\$ (127,824)
Total Expenditures and Other Uses	<u>683,812</u>	<u>755,964</u>	<u>654,270</u>	<u>101,694</u>
Net Change in Fund Balances	(6,206)	(52,228)	(78,358)	(26,130)
Fund Balance at Beginning of Fiscal Year	<u>78,358</u>	<u>78,358</u>	<u>78,358</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 72,152</u>	<u>\$ 26,130</u>	<u>\$ -</u>	<u>\$ (26,130)</u>
Title I School Improvement				
Total Revenues and Other Sources	\$ 22,928	\$ 26,833	\$ 17,255	\$ (9,578)
Total Expenditures and Other Uses	<u>44,045</u>	<u>44,227</u>	<u>38,372</u>	<u>5,855</u>
Net Change in Fund Balances	(21,117)	(17,394)	(21,117)	(3,723)
Fund Balance at Beginning of Fiscal Year	18,686	18,686	18,686	-
Prior Fiscal Year Encumbrances Appropriated	<u>2,431</u>	<u>2,431</u>	<u>2,431</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ 3,723</u>	<u>\$ -</u>	<u>\$ (3,723)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Limited English Proficiency				
Total Revenues and Other Sources	\$ 21,917	\$ 30,573	\$ 15,969	\$ (14,604)
Total Expenditures and Other Uses	<u>33,271</u>	<u>38,997</u>	<u>27,323</u>	<u>11,674</u>
Net Change in Fund Balance	(11,354)	(8,424)	(11,354)	(2,930)
Fund Balance at Beginning of Fiscal Year	10,984	10,984	10,984	-
Prior Fiscal Year Encumbrances Appropriated	<u>370</u>	<u>370</u>	<u>370</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ 2,930</u>	<u>\$ -</u>	<u>\$ (2,930)</u>
Title I Disadvantaged Children				
Total Revenues and Other Sources	\$ 885,999	\$ 904,646	\$ 756,837	\$ (147,809)
Total Expenditures and Other Uses	<u>994,807</u>	<u>990,601</u>	<u>865,645</u>	<u>124,956</u>
Net Change in Fund Balance	(108,808)	(85,955)	(108,808)	(22,853)
Fund Balance at Beginning of Fiscal Year	108,558	108,558	108,558	-
Prior Fiscal Year Encumbrances Appropriated	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ 22,853</u>	<u>\$ -</u>	<u>\$ (22,853)</u>
IDEA Preschool - Handicapped				
Total Revenues and Other Sources	\$ 10,148	\$ 10,732	\$ 9,025	\$ (1,707)
Total Expenditures and Other Uses	<u>14,060</u>	<u>14,060</u>	<u>12,936</u>	<u>1,124</u>
Net Change in Fund Balances	(3,912)	(3,328)	(3,911)	(583)
Fund Balance at Beginning of Fiscal Year	1,720	1,720	1,720	-
Prior Fiscal Year Encumbrances Appropriated	<u>2,192</u>	<u>2,192</u>	<u>2,192</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ 584</u>	<u>\$ 1</u>	<u>\$ (583)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Improving Teacher Quality				
Total Revenues and Other Sources	\$ 92,309	\$ 120,035	\$ 88,292	\$ (31,743)
Total Expenditures and Other Uses	<u>135,326</u>	<u>135,074</u>	<u>131,309</u>	<u>3,765</u>
Net Change in Fund Balances	(43,017)	(15,039)	(43,017)	(27,978)
Fund Balance at Beginning of Fiscal Year	17,197	17,197	17,197	-
Prior Fiscal Year Encumbrances Appropriated	<u>25,820</u>	<u>25,820</u>	<u>25,820</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u><u>\$ -</u></u>	<u><u>\$ 27,978</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (27,978)</u></u>
Public School Support				
Total Revenues and Other Sources	\$ 120,000	\$ 120,013	\$ 120,064	\$ 51
Total Expenditures and Other Uses	<u>70,951</u>	<u>174,855</u>	<u>113,735</u>	<u>61,120</u>
Net Change in Fund Balances	49,049	(54,842)	6,329	61,171
Fund Balance at Beginning of Fiscal Year	53,878	53,878	53,878	-
Prior Fiscal Year Encumbrances Appropriated	<u>964</u>	<u>964</u>	<u>964</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u><u>\$ 103,891</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 61,171</u></u>	<u><u>\$ 61,171</u></u>
Permanent Improvement				
Total Revenues and Other Sources	\$ 100,000	\$ 112,400	\$ 112,400	\$ -
Total Expenditures and Other Uses	<u>100,000</u>	<u>100,000</u>	<u>49,069</u>	<u>50,931</u>
Net Change in Fund Balances	-	12,400	63,331	50,931
Fund Balance at Beginning of Fiscal Year	<u>158,195</u>	<u>158,195</u>	<u>158,195</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u><u>\$ 158,195</u></u>	<u><u>\$ 170,595</u></u>	<u><u>\$ 221,526</u></u>	<u><u>\$ 50,931</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Employee Benefits Self-Insurance				
Total Revenues and Nonoperating Revenues	\$ 5,000,000	\$ 5,409,882	\$ 5,326,160	\$ (83,722)
Total Expenses and Nonoperating Expenses	<u>5,202,222</u>	<u>5,528,382</u>	<u>5,328,089</u>	<u>200,293</u>
Net Change in Fund Balance	(202,222)	(118,500)	(1,929)	116,571
Fund Balance at Beginning of Fiscal Year	<u>202,222</u>	<u>202,222</u>	<u>202,222</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ -</u>	<u>\$ 83,722</u>	<u>\$ 200,293</u>	<u>\$ 116,571</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, 2016

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
Student Activity				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 31,574	\$ 58,688	\$ 58,019	\$ 32,243
Total assets	<u>\$ 31,574</u>	<u>\$ 58,688</u>	<u>\$ 58,019</u>	<u>\$ 32,243</u>
Liabilities:				
Accounts payable	\$ 573	\$ -	\$ 573	\$ -
Due to students	<u>31,001</u>	<u>58,688</u>	<u>57,446</u>	<u>32,243</u>
Total liabilities.	<u>\$ 31,574</u>	<u>\$ 58,688</u>	<u>\$ 58,019</u>	<u>\$ 32,243</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	122-135
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	136-141
Debt Capacity 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.	142-146
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	147-148
Operating Information 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.	150-161

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 fiscal year.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014 (C)</u>	<u>2013 (B)</u>
Governmental activities				
Net investment in capital assets	\$ 12,167,675	\$ 10,574,258	\$ 9,103,144	\$ 7,861,374
Restricted	1,097,050	1,501,423	2,081,603	1,999,758
Unrestricted (deficit)	(22,262,911)	(27,992,807)	(32,139,646)	14,165,040
Total governmental activities net position	<u>\$ (8,998,186)</u>	<u>\$ (15,917,126)</u>	<u>\$ (20,954,899)</u>	<u>\$ 24,026,172</u>
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Unrestricted (deficit)	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government				
Net investment in capital assets	\$ 12,167,675	\$ 10,574,258	\$ 9,103,144	\$ 7,861,374
Restricted	1,097,050	1,501,423	2,081,603	1,999,758
Unrestricted (deficit)	(22,262,911)	(27,992,807)	(32,139,646)	14,165,040
Total primary government net position	<u>\$ (8,998,186)</u>	<u>\$ (15,917,126)</u>	<u>\$ (20,954,899)</u>	<u>\$ 24,026,172</u>

Source: School District financial records.

- (A) Net position 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.
- (C) Net position of the governmental activities was restated at June 30, 2014.

<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 6,648,924	\$ 6,298,927	\$ 5,650,573	\$ 5,298,003	\$ 6,026,176	\$ 4,775,378
4,488,963	4,511,058	4,434,011	4,590,798	4,416,107	5,870,893
9,724,105	8,843,170	6,561,256	4,056,500	4,165,521	4,082,981
<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,645,840</u>	<u>\$ 13,945,301</u>	<u>\$ 14,607,804</u>	<u>\$ 14,729,252</u>
\$ -	\$ -	\$ 102,815	\$ 115,250	\$ 127,684	\$ 140,118
-	-	97,606	16,651	(1,531)	(4,834)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,421</u>	<u>\$ 131,901</u>	<u>\$ 126,153</u>	<u>\$ 135,284</u>
\$ 6,648,924	\$ 6,298,927	\$ 5,753,388	\$ 5,413,253	\$ 6,153,860	\$ 4,915,496
4,488,963	4,511,058	4,434,011	4,590,798	4,416,107	5,870,893
9,724,105	8,843,170	6,658,862	4,073,151	4,163,990	4,078,147
<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,846,261</u>	<u>\$ 14,077,202</u>	<u>\$ 14,733,957</u>	<u>\$ 14,864,536</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 17,466,877	\$ 17,862,859	\$ 16,982,796	\$ 16,024,742
Special	4,994,345	4,784,323	4,587,635	3,801,713
Vocational	453,369	306,838	344,468	403,755
Other instructional	889,569	813,046	645,060	401,132
Support services:				
Pupil	2,052,568	1,983,282	1,955,527	1,880,776
Instructional staff	525,728	766,756	464,750	1,135,974
Board of education	113,364	108,727	73,218	253,599
Administration	3,284,110	3,080,519	2,987,841	2,887,717
Fiscal	1,170,741	1,010,172	920,495	921,473
Business	7,931	7,888	8,704	9,244
Operations and maintenance	4,374,364	3,843,310	3,901,532	3,614,353
Pupil transportation	2,821,177	2,800,410	2,664,158	2,499,073
Central	436,075	410,400	476,904	417,836
Operation of non-instructional services	53,157	202,238	217,759	366,315
Food service operations	1,546,544	1,224,491	1,205,625	1,216,080
Extracurricular activities	999,173	917,441	1,000,673	895,645
Interest and fiscal charges	2,242,809	2,833,837	2,864,756	2,938,706
Bond issuance costs	-	-	-	123,891
Note issuance costs	-	-	8,184	-
Total governmental activities expenses	<u>43,431,901</u>	<u>42,956,537</u>	<u>41,310,085</u>	<u>39,792,024</u>
Business-type activities:				
Food service	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 43,431,901</u>	<u>\$ 42,956,537</u>	<u>\$ 41,310,085</u>	<u>\$ 39,792,024</u>

	2012 (B)	2011 (A)	2010	2009	2008	2007
\$	15,637,136	\$ 16,452,249	\$ 15,278,518	\$ 14,640,159	\$ 14,094,895	\$ 13,283,902
	3,710,163	4,023,824	3,800,772	4,350,332	3,829,334	3,436,158
	413,484	475,595	626,461	715,563	677,326	757,157
	312,101	410,222	1,064	69,882	29,262	-
	1,910,469	2,156,770	2,051,878	1,656,026	1,634,654	1,754,234
	1,280,192	1,766,319	1,800,144	1,348,514	1,427,339	1,542,238
	150,839	170,357	368,594	340,736	438,621	368,549
	2,768,846	2,902,533	2,716,355	2,590,566	2,594,498	2,602,420
	907,327	933,943	795,708	720,482	780,005	685,035
	-	-	-	-	-	-
	4,033,281	4,439,809	3,932,395	3,713,631	2,505,978	3,107,452
	2,593,268	2,643,485	2,406,878	2,138,885	2,174,086	2,564,378
	263,107	366,207	214,195	204,754	212,299	193,501
	216,305	18,912	18,912	18,912	16,492	14,478
	1,185,011	1,143,055	-	-	-	-
	895,730	1,009,434	929,787	977,461	1,082,402	1,003,199
	3,108,519	3,036,205	3,045,818	3,021,730	3,146,362	2,597,257
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>39,385,778</u>	<u>41,948,919</u>	<u>37,987,479</u>	<u>36,507,633</u>	<u>34,643,553</u>	<u>33,909,958</u>
	-	-	1,202,060	1,199,332	1,012,678	847,783
	-	-	<u>1,202,060</u>	<u>1,199,332</u>	<u>1,012,678</u>	<u>847,783</u>
\$	<u><u>39,385,778</u></u>	<u><u>41,948,919</u></u>	<u><u>39,189,539</u></u>	<u><u>37,706,965</u></u>	<u><u>35,656,231</u></u>	<u><u>34,757,741</u></u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>
Program Revenues				
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 850,631	\$ 720,193	\$ 706,503	\$ 305,795
Special	135,566	146,950	104,818	32,056
Support services:				
Operations and maintenance	150,511	114,820	103,188	93,509
Pupil transportation	51,585	60,629	73,807	63,032
Food service operations	702,934	632,506	620,849	647,616
Extracurricular activities	611,306	652,919	655,446	638,614
Operating grants and contributions:				
Instruction:				
Regular	425,704	1,092,343	640,892	322,947
Special	2,734,735	2,659,293	2,355,892	1,591,557
Vocational	69,192	66,852	35,205	186,301
Other instructional	523,129	468,145	264,189	270,474
Support services:				
Pupil	109,220	105,220	106,780	175,155
Instructional staff	48,307	312,740	128,632	265,184
Administration	156,784	142,263	147,264	94,110
Fiscal	-	24,499	-	24,164
Operations and maintenance	-	4,010	-	-
Pupil transportation	1,211,002	997,500	901,447	8,172
Central	-	7,200	7,200	7,200
Food service operations	883,578	704,441	651,722	612,194
Extracurricular activities	7,675	23,090	8,174	2,043
Capital grants and contributions:				
Instruction:				
Regular	13,600	-	11,534	-
Support services:				
Pupil transportation	-	11,285	-	-
Total governmental program revenues	<u>8,685,459</u>	<u>8,946,898</u>	<u>7,523,542</u>	<u>5,340,123</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>\$ 8,685,459</u>	<u>\$ 8,946,898</u>	<u>\$ 7,523,542</u>	<u>\$ 5,340,123</u>
Net (Expense)/Revenue				
Governmental activities	\$ (34,746,442)	\$ (34,009,639)	\$ (33,786,543)	\$ (34,451,901)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (34,746,442)</u>	<u>\$ (34,009,639)</u>	<u>\$ (33,786,543)</u>	<u>\$ (34,451,901)</u>

	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	298,250	\$ 297,258	\$ 304,546	\$ 291,211	\$ 407,765	\$ 304,761
	53,750	28,158	40,721	8,950	12,885	-
	69,843	67,623	68,405	106,409	46,556	35,842
	55,534	85,064	-	-	-	58,978
	659,750	725,065	-	-	-	-
	673,614	582,815	530,235	543,283	553,764	475,891
	251,895	1,479,421	639,182	281,592	110,480	154,905
	1,556,394	1,779,573	1,124,515	1,635,585	1,381,966	1,250,221
	186,301	186,301	184,914	183,504	158,830	144,108
	160,007	182,456	-	46,971	51,721	-
	139,148	195,216	247,860	430,040	337,389	556,164
	251,516	362,842	356,372	203,567	265,619	351,403
	202,695	652,679	525,559	16,571	101,641	86,001
	-	12,314	30,317	-	15,420	12,864
	11,141	-	-	-	-	-
	-	-	-	5,599	-	82,159
	7,200	14,100	9,145	12,000	12,000	15,000
	572,119	540,936	-	-	-	-
	398	7,100	34,081	17,971	31,502	30,151
	-	-	-	-	203,326	17,794
	-	-	-	27,039	14,127	19,741
	<u>5,149,555</u>	<u>7,198,921</u>	<u>4,095,852</u>	<u>3,810,292</u>	<u>3,704,991</u>	<u>3,595,983</u>
	-	-	742,323	762,792	664,450	556,975
	-	-	528,128	441,850	335,993	270,912
	-	-	<u>1,270,451</u>	<u>1,204,642</u>	<u>1,000,443</u>	<u>827,887</u>
\$	<u>5,149,555</u>	<u>7,198,921</u>	<u>5,366,303</u>	<u>5,014,934</u>	<u>4,705,434</u>	<u>4,423,870</u>
\$	(34,236,223)	(34,749,998)	(33,891,627)	(32,697,341)	(30,938,562)	(30,313,975)
	-	-	68,391	5,310	(12,235)	(19,896)
\$	<u>(34,236,223)</u>	<u>(34,749,998)</u>	<u>(33,823,236)</u>	<u>(32,692,031)</u>	<u>(30,950,797)</u>	<u>(30,333,871)</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 15,718,560	\$ 14,678,810	\$ 15,523,145	\$ 14,512,634
Classroom facilities	-	17,263	156,454	147,404
Debt service	4,092,826	4,027,129	3,877,108	3,740,086
Income taxes levied for:				
General purposes	4,248,513	3,993,177	3,668,255	3,636,920
Payment in lieu of taxes	498,231	501,246	258,647	248,668
Grants and entitlements not restricted to specific programs	16,561,092	15,471,785	14,538,736	14,452,698
Investment earnings	323,317	126,405	25,098	37,645
Win-win settlement	-	-	320,585	641,170
Miscellaneous	222,843	231,597	125,586	198,856
Transfers	-	-	-	-
Total governmental activities	<u>41,665,382</u>	<u>39,047,412</u>	<u>38,493,614</u>	<u>37,616,081</u>
Business-type activities:				
Investment earnings	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 41,665,382</u>	<u>\$ 39,047,412</u>	<u>\$ 38,493,614</u>	<u>\$ 37,616,081</u>
Change in Net Position				
Governmental activities	\$ 6,918,940	\$ 5,037,773	\$ 4,707,071	\$ 3,164,180
Business-type activities	-	-	-	-
Total primary government	<u>\$ 6,918,940</u>	<u>\$ 5,037,773</u>	<u>\$ 4,707,071</u>	<u>\$ 3,164,180</u>

Source: School District financial records.

(A) Net position 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>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	14,635,011	\$ 15,252,942	\$ 14,625,495	\$ 10,272,099	\$ 10,189,506	\$ 10,532,539
	147,824	147,371	154,578	156,073	149,322	158,746
	3,608,044	3,350,737	3,363,747	3,609,054	2,804,515	2,934,747
	3,179,827	3,911,298	2,968,716	3,096,276	3,197,358	3,225,064
	244,242	454,264	-	-	-	-
	14,332,282	14,318,122	15,169,153	14,556,809	13,641,537	12,059,326
	34,728	28,396	49,898	233,004	671,207	1,580,717
	-	-	-	-	-	-
	103,394	93,762	260,579	111,523	163,669	198,472
	-	-	-	-	-	(11,140)
	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,166</u>	<u>32,034,838</u>	<u>30,817,114</u>	<u>30,678,471</u>
	-	-	129	438	3,104	836
	-	-	-	-	-	11,140
	-	-	<u>129</u>	<u>438</u>	<u>3,104</u>	<u>11,976</u>
\$	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,295</u>	<u>32,035,276</u>	<u>30,820,218</u>	<u>30,690,447</u>
\$	2,049,129	\$ 2,806,894	\$ 2,700,539	\$ (662,503)	\$ (121,448)	\$ 364,496
	-	-	68,520	5,748	(9,131)	(7,920)
\$	<u>2,049,129</u>	<u>2,806,894</u>	<u>2,769,059</u>	<u>(656,755)</u>	<u>(130,579)</u>	<u>356,576</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:				
Nonspendable	\$ 34,036	\$ -	\$ -	\$ -
Assigned	3,962,100	629,682	3,199,315	2,076,944
Unassigned	20,676,353	19,508,215	13,223,605	10,019,984
Reserved	-	-	-	-
Unreserved	-	-	-	-
	<u>24,672,489</u>	<u>20,137,897</u>	<u>16,422,920</u>	<u>12,096,928</u>
Total general fund	<u>\$ 24,672,489</u>	<u>\$ 20,137,897</u>	<u>\$ 16,422,920</u>	<u>\$ 12,096,928</u>
All Other Governmental Funds:				
Nonspendable	\$ 3,573	\$ 6,267	\$ 15,051	\$ 14,138
Restricted	5,402,223	4,805,743	4,998,883	4,666,817
Committed	271,795	158,195	69,682	58,148
Reserved	-	-	-	-
Unassigned, reported in:				
Special revenue funds	(83,148)	-	(122,155)	(94,229)
Capital projects funds	-	-	-	-
	<u>5,594,443</u>	<u>4,970,205</u>	<u>4,961,461</u>	<u>4,644,874</u>
Total all other governmental funds	<u>5,594,443</u>	<u>4,970,205</u>	<u>4,961,461</u>	<u>4,644,874</u>
Total governmental funds	<u>\$ 30,266,932</u>	<u>\$ 25,108,102</u>	<u>\$ 21,384,381</u>	<u>\$ 16,741,802</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>2012</u>	<u>2011 (A)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ 499,198	\$ -	\$ -	\$ -	\$ -
1,166,397	455,384	-	-	-	-
8,625,167	6,274,407	-	-	-	-
-	-	5,853,953	3,487,047	3,446,905	3,777,191
-	-	(107,141)	24,651	1,226,741	1,328,815
<u>\$ 9,791,564</u>	<u>\$ 7,228,989</u>	<u>\$ 5,746,812</u>	<u>\$ 3,511,698</u>	<u>\$ 4,673,646</u>	<u>\$ 5,106,006</u>
\$ 9,915	\$ -	\$ -	\$ -	\$ -	\$ -
5,303,390	4,028,982	-	-	-	-
58,148	58,148	-	-	-	-
-	-	2,646,836	2,618,943	2,514,962	9,536,610
-	-	803,406	671,903	587,624	326,003
-	-	810,860	1,246,346	1,375,859	3,905,009
<u>5,371,453</u>	<u>4,087,130</u>	<u>4,261,102</u>	<u>4,537,192</u>	<u>4,478,445</u>	<u>13,767,622</u>
<u>\$ 15,163,017</u>	<u>\$ 11,316,119</u>	<u>\$ 10,007,914</u>	<u>\$ 8,048,890</u>	<u>\$ 9,152,091</u>	<u>\$ 18,873,628</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues				
From local sources:				
Property taxes	\$ 19,789,562	\$ 18,825,349	\$ 19,658,485	\$ 18,608,333
Income taxes	4,244,871	4,005,479	3,804,665	3,611,985
Taxes (A)	-	-	-	-
Payment in lieu of taxes	498,231	501,246	258,647	248,668
Tuition	790,625	689,374	619,206	158,671
Transportation fees	51,585	60,629	73,807	63,032
Earnings on investments	321,127	117,660	20,269	39,423
Charges for services	702,934	632,506	620,849	647,616
Classroom materials and fees	194,648	174,015	190,030	175,084
Extracurricular	611,306	652,919	655,455	639,857
Rental income	152,486	117,868	106,384	94,944
Contributions and donations	13,175	36,329	14,193	36,552
Other local revenues	332,232	229,520	145,366	112,364
Intergovernmental - state	20,210,245	20,213,804	17,467,547	16,077,255
Intergovernmental - federal	2,543,512	1,943,152	2,162,338	1,731,448
Total revenues	<u>50,456,539</u>	<u>48,199,850</u>	<u>45,797,241</u>	<u>42,245,232</u>
Expenditures				
Current:				
Instruction:				
Regular	17,674,893	17,453,593	16,287,125	15,614,347
Special	5,077,933	4,778,535	4,401,928	3,702,130
Vocational	445,883	312,013	318,588	370,045
Other	920,109	835,838	617,474	402,102
Current:				
Pupil	2,041,883	1,970,564	1,880,442	1,843,854
Instructional staff	487,011	795,047	437,132	1,079,823
Board of education	114,888	106,163	70,579	251,219
Administration	3,255,594	3,036,032	2,939,691	2,858,772
Fiscal	1,180,136	970,589	922,214	929,199
Business	7,915	8,029	8,791	9,092
Operations and maintenance	3,995,026	3,902,879	3,770,644	3,592,703
Pupil transportation	2,638,131	3,400,622	2,692,650	2,607,727
Central	438,158	396,220	468,149	417,559
Operation of non-instructional services:				
Other non-instructional services	54,748	203,083	136,448	232,363
Food service operations	1,551,154	1,193,630	1,172,206	1,198,279
Extracurricular activities	934,741	858,918	959,119	836,985
Facilities acquisitions and construction	396,942	617,747	213,120	1,026,015
Capital outlay	-	-	80,045	135,167
Debt service:				
Principal retirement	2,507,073	2,231,346	2,090,289	1,798,207
Interest and fiscal charges	1,590,426	2,271,449	2,325,474	2,453,820
Bond issuance costs	412,160	-	-	123,891
Note issuance costs	-	20,835	8,184	-
Total expenditures	<u>45,724,804</u>	<u>45,363,132</u>	<u>41,800,292</u>	<u>41,483,299</u>

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	18,434,138	\$ 18,811,911	\$ -	\$ -	\$ -	\$ -
	3,450,748	3,232,606	-	-	-	-
	-	-	20,990,462	17,016,294	16,322,531	16,599,663
	244,242	454,264	-	-	-	-
	181,788	146,122	125,013	83,871	127,378	121,093
	55,534	85,064	56,336	54,884	88,367	58,978
	33,868	27,631	57,979	226,305	710,227	1,590,223
	672,597	-	-	-	-	-
	168,530	167,652	166,571	159,568	204,594	183,354
	676,486	583,925	529,391	543,542	550,585	474,076
	58,866	72,479	-	-	-	-
	5,006	11,865	-	-	-	-
	116,977	98,319	381,970	249,309	440,557	269,022
	15,901,369	15,978,937	16,027,739	16,383,458	15,253,870	13,435,254
	2,249,947	2,555,211	2,178,849	1,002,286	1,121,458	1,086,967
	<u>42,250,096</u>	<u>42,225,986</u>	<u>40,514,310</u>	<u>35,719,517</u>	<u>34,819,567</u>	<u>33,818,630</u>
	15,131,664	16,140,601	15,047,699	14,420,865	13,908,098	12,866,951
	3,662,751	3,967,804	3,790,609	4,310,721	3,803,995	3,381,747
	399,043	485,680	607,980	711,700	686,155	737,833
	315,296	414,698	1,064	69,882	29,262	-
	1,853,681	2,150,215	2,062,899	1,649,969	1,624,880	1,727,160
	1,246,547	1,765,596	1,831,800	1,352,083	1,445,425	1,516,810
	148,401	167,590	370,602	347,716	436,996	368,549
	2,720,670	2,828,609	2,669,842	2,511,823	2,593,138	2,497,129
	896,941	928,939	814,429	717,618	768,490	675,516
	-	-	-	-	-	-
	3,973,373	4,407,317	3,902,521	3,553,880	3,466,297	3,054,730
	2,515,817	2,665,689	2,287,317	2,006,000	2,022,378	2,358,707
	263,352	363,972	225,769	217,107	213,640	191,882
	219,495	-	-	-	-	-
	1,149,568	-	-	-	-	-
	827,321	952,449	957,907	912,098	1,026,400	958,665
	1,318,446	1,985	57,261	222,272	7,749,649	18,904,396
	-	91,000	-	98,394	175,000	-
	3,988,978	3,998,337	4,108,332	4,166,886	4,976,747	4,101,702
	2,630,277	2,624,872	2,698,935	2,752,098	2,813,780	2,262,419
	143,215	-	-	-	-	569,974
	-	19,478	22,135	26,319	15,778	-
	<u>43,404,836</u>	<u>43,974,831</u>	<u>41,457,101</u>	<u>40,047,431</u>	<u>47,756,108</u>	<u>56,174,170</u>

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 4,731,735	\$ 2,836,718	\$ 3,996,949	\$ 761,933
Other Financing Sources (Uses)				
Premium on bond and notes sold	-	-	-	626,659
Premium on refunding bonds	2,465,024	-	-	-
Refunding bond issuance	35,540,000	-	-	-
Sale of capital assets	-	52,003	-	49,501
Bond issuance	-	-	-	5,494,997
Note issuance	-	835,000	245,000	-
Transfers in	472,663	122,015	187,958	189,061
Transfers (out)	(472,663)	(122,015)	(187,958)	(189,061)
Win-win settlement	-	-	320,585	641,170
Payment to refunding bond escrow agent	(37,577,929)	-	-	(6,130,642)
Capital lease transaction	-	-	80,045	135,167
Lease purchase transaction	-	-	-	-
Total other financing sources	<u>427,095</u>	<u>887,003</u>	<u>645,630</u>	<u>816,852</u>
Net change in fund balances	<u>\$ 5,158,830</u>	<u>\$ 3,723,721</u>	<u>\$ 4,642,579</u>	<u>\$ 1,578,785</u>
Capital expenditures	\$ 1,087,239	\$ 1,716,604	\$ 854,263	\$ 1,526,562
Debt service as a percentage of noncapital expenditures	9.18%	10.32%	10.78%	10.64%

Source: School District financial records.

(A) Fiscal years 2007-2010 property and income taxes were shown as a single line item.

2012	2011	2010	2009	2008	2007
\$ (1,154,740)	\$ (1,748,845)	\$ (942,791)	\$ (4,327,914)	\$ (12,936,541)	\$ (22,355,540)
151,638	22,455	31,815	26,319	22,940	3,054,300
-	-	-	-	-	-
-	-	-	-	-	-
-	36,690	-	-	-	6,499
2,670,000	-	-	-	-	43,099,983
2,180,000	2,670,000	2,870,000	3,100,000	3,220,000	3,370,000
34,200	-	285	-	826,568	72,046
(34,200)	-	(285)	-	(1,029,504)	(83,186)
-	-	-	-	-	-
-	-	-	-	-	(45,577,468)
-	91,000	-	98,394	175,000	-
-	-	-	-	-	1,250,000
<u>5,001,638</u>	<u>2,820,145</u>	<u>2,901,815</u>	<u>3,224,713</u>	<u>3,215,004</u>	<u>5,192,174</u>
<u>\$ 3,846,898</u>	<u>\$ 1,071,300</u>	<u>\$ 1,959,024</u>	<u>\$ (1,103,201)</u>	<u>\$ (9,721,537)</u>	<u>\$ (17,163,366)</u>
\$ 1,542,274	\$ 504,707	\$ 271,419	\$ 300,467	\$ 9,052,801	\$ 18,845,087
15.81%	15.24%	16.53%	17.41%	20.13%	17.05%

**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
2016	\$ 393,092,720	\$ 1,123,122,057	\$ -	\$ -	\$ 23,666,310	\$ 94,665,240
2015	387,849,930	1,108,142,657	-	-	19,056,710	76,226,840
2014	394,435,230	1,126,957,800	-	-	17,657,150	70,628,600
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

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.

Total			
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%
78.91	\$ 416,759,030	\$ 1,217,787,297	34.22%
78.90	406,906,640	1,184,369,497	34.36%
78.70	412,092,380	1,197,586,400	34.41%
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%

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

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

	Tax Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Canal Winchester Local School District:										
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	62.96	63.10	62.90	63.15	63.23	63.73	63.22	48.40	48.40	48.40
Voted - Bond	10.95	10.80	10.30	10.80	10.40	8.93	9.03	9.03	7.35	7.35
Voted - Classroom Facilities	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Voted	<u>73.91</u>	<u>73.90</u>	<u>73.70</u>	<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>
Total	<u>78.91</u>	<u>78.90</u>	<u>78.70</u>	<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>
Joint Vocational School District:										
Eastland-Fairfield	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Counties:										
Fairfield County	10.40	8.55	8.55	8.55	8.55	8.55	8.55	7.55	7.55	7.55
Franklin County	18.47	18.47	17.72	18.47	17.32	17.32	17.32	17.37	17.84	17.79
Cities/Villages:										
Canal Winchester	2.00	1.90	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	2.65	3.14	3.14	5.45	3.14	3.14	3.14	3.14	3.14	3.14
Lithopolis	1.90	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
Townships:										
Bloom	17.80	17.80	17.80	18.70	17.80	17.80	18.05	18.05	18.05	18.05
Madison	27.17	21.92	21.80	24.60	21.80	21.80	21.80	21.80	21.80	21.80
Violet	17.85	17.85	14.05	14.95	14.05	14.05	14.05	14.05	13.85	13.85

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, 2015 AND DECEMBER 31, 2006**

December 31, 2015			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dominion Transmission Inc.	\$ 12,508,690	1	3.00%
South Central Power	4,054,710	2	0.97%
Winchester Square LLC	4,048,080	3	0.97%
TS Trim Industries Inc.	3,647,010	4	0.88%
Wal-Mart Real Estate	3,062,500	5	0.73%
Mountain Agency LLC	2,605,230	6	0.63%
CRI Outparcels LLC	2,482,410	7	0.60%
Waterloo Crossing Ltd.	2,305,460	8	0.55%
HD Development	2,197,310	9	0.53%
Lehman Village LTD	1,961,370	10	0.47%
Total	\$ 38,872,770		9.33%
Total Assessed Valuation			\$ 416,759,030

December 31, 2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dominion Transmission Inc.	\$ 9,279,060	1	2.27%
T S Trim Industries Inc	5,484,658	2	1.34%
Winchester Square LLC	4,330,660	3	1.06%
South Central Power Co.	3,044,090	4	0.74%
Waterloo Crossing LTD	2,642,850	5	0.65%
Winchester Lakes LLC	2,376,160	6	0.58%
Chambers Waste Systems	2,230,980	7	0.55%
Ohio Bell Telephone Co.	2,137,590	8	0.52%
Lehman Village LTD	2,136,370	9	0.52%
Georges Creek LP	2,077,250	10	0.51%
Total	\$ 35,739,668		8.73%
Total Assessed Valuation			\$ 409,281,649

Source: Franklin County Auditor's Office.

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy (A)	Current Collection (B)	Percent of Current Levy Collected	Delinquent Collection (C)	Total Collection (D)	Total Collection As a Percent of Total Levy (C)
2014/2015	\$ 15,838,115	\$ 15,070,316	95.15%	\$ 293,916	\$ 15,364,232	97.01%
2013/2014	15,922,327	15,583,813	97.87%	337,472	15,921,285	99.99%
2012/2013	15,964,973	15,603,358	97.73%	478,789	16,082,147	100.73%
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%

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.

	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes to Levy
\$	655,136	4.14%
	618,229	3.88%
	679,221	4.25%
	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%

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

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

Governmental Activities

Fiscal Year	General Obligation Bonds	Energy Conservation Bonds	School Bus Notes	School Facilities Construction and Improvement Notes	Lease Purchase Agreement	Capital Lease
2016	\$ 62,142,840	\$ 1,701,894	\$ 840,000	\$ -	\$ 820,844	\$ 83,865
2015	62,756,179	1,826,145	1,005,000	-	877,307	134,475
2014	64,241,444	1,946,343	245,000	-	935,409	197,719
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	-

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.

	(A) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
\$	65,589,443	N/A	17,533	N/A
	66,599,106	\$ 8,519	18,103	N/A
	67,565,915	9,213	18,577	N/A
	68,926,889	9,752	19,115	13.83%
	70,362,736	10,147	19,698	14.50%
	64,337,390	9,510	17,867	14.11%
	65,005,105	9,582	18,012	14.61%
	65,724,240	9,507	19,028	15.58%
	66,217,983	9,971	19,413	15.43%
	67,364,536	10,572	20,747	15.48%

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

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Energy Conservation Bonds	Total		
2016	\$ 62,142,840	\$ 1,701,894	\$ 63,844,734	5.24%	N/A
2015	62,756,179	1,826,145	64,582,324	5.45%	\$ 8,261
2014	64,241,444	1,946,343	66,187,787	5.53%	9,025
2013	65,691,112	2,067,405	67,758,517	5.70%	9,587
2012	67,032,067	2,184,257	69,216,324	5.84%	9,982
2011	60,402,000	-	60,402,000	4.78%	8,929
2010	60,852,378	-	60,852,378	4.86%	8,970
2009	61,248,181	-	61,248,181	4.93%	8,860
2008	61,643,432	-	61,643,432	5.04%	9,282
2007	62,753,238	-	62,753,238	5.31%	9,848

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, 2016**

<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	\$ 65,589,443	100.00%	\$ 65,589,443
	<u>65,589,443</u>		<u>65,589,443</u>
Overlapping debt:			
Fairfield County	7,165,504	3.23%	231,446
Franklin County	221,165,000	1.15%	2,543,398
City of Canal Winchester	5,285,235	95.60%	5,052,685
City of Columbus	781,880,000	0.62%	4,847,656
City of Pickerington	13,945,000	0.10%	13,945
Village of Lithopolis	564,100	6.55%	36,949
Violet Township	7,420,000	4.16%	308,672
Eastland-Fairfield Career & Technical JVS District	2,100,000	5.55%	116,550
	<u>1,039,524,839</u>		<u>13,151,301</u>
Total direct and overlapping debt	<u>\$ 1,105,114,282</u>		<u>\$ 78,740,744</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 2016 collection year.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (A)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$ 37,508,313	\$ 52,578,670	\$ 4,319,820	\$ 48,258,850	\$ (10,750,537)	128.66%
2015	36,621,598	54,189,823	3,345,149	50,844,674	(14,223,076)	138.84%
2014	37,088,314	55,700,868	3,155,706	52,545,162	(15,456,848)	141.68%
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%

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)	Total Federal Adjusted Gross Income (FAGI) (B)	Average FAGI per Income Tax Return (B)	School Enrollment (C)	Unemployment Rates (D)		
					Franklin County	Ohio	United States
2016	N/A	N/A	N/A	3,741	3.9%	4.6%	4.7%
2015	7,818	N/A	N/A	3,679	4.0%	5.0%	5.4%
2014	7,334	\$ 515,134,016	\$ 62,395	3,637	4.8%	5.7%	6.2%
2013	7,068	498,510,097	60,513	3,606	6.4%	7.5%	7.4%
2012	6,934	485,201,284	60,027	3,572	6.4%	7.4%	8.1%
2011	6,765	455,839,237	57,541	3,601	7.7%	8.8%	8.9%
2010	6,784	444,817,085	56,571	3,609	8.9%	10.3%	9.6%
2009	6,913	421,888,207	55,813	3,454	8.5%	10.3%	9.3%
2008	6,641	429,289,120	55,926	3,411	5.5%	6.4%	5.8%
2007	6,372	435,204,702	56,505	3,247	4.7%	5.6%	4.6%

(A) U. S. Census Bureau population estimates of the City of Canal Winchester; Village of Canal Winchester prior to 2012.

(B) Ohio Department of Taxation data for the Canal Winchester Local School District.

(C) 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.

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

2015 data is a year to date average through October.

Note: The District adjusted the School enrollment figures for 2006-2014.

N/A - Information is not available.

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

PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FOUR CALENDAR YEARS AGO

June 30, 2016		
Employer*	Employees	Rank
TS Trim Industries, Inc.	462	1
NIFCO Inc.	419	2
Canal Winchester Schools	397	3
HFI, Inc.	390	4
Kindred Transitional Care and Rehabilitation	162	5
CAPSA Solutions	132	6
Diley Ridge Medical Center	125	7
Waste Management, Inc.	117	8
Altercare	101	9
Jeff Wyler Chevrolet	91	10
Total	2,396	

*Employers do not include retail or restaurant businesses.

December 31, 2011 (A)			
Employer	Employees	Rank	Percentage of Total City Employment
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	2,356		43.84%
Total Employment within the City	5,374		

Source: City of Canal Winchester.

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

Note: The total number of people employed in the City of Canal Winchester is not available for June 30, 2016; therefore, the percentage of total City employment is not presented for June 30, 2016.

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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**

Type	2016	2015	2014	2013	2012	2011
Certified Staff	244.00	235.00	225.00	224.00	221.00	249.75
Harvest Preparatory School	2.00	2.00	2.00	3.00	2.00	4.00
Coordinators	2.00	2.00	2.00	2.00	2.00	2.00
Administrators	14.00	13.00	13.00	13.00	12.00	12.00
Classified Staff	135.00	133.00	129.00	128.00	129.00	151.00
Total	397.00	385.00	371.00	370.00	366.00	418.75

Function	2016	2015	2014	2013	2012	2011
Instruction:						
Regular	177.00	174.90	168.00	169.00	167.00	184.25
Special	39.00	36.50	36.00	36.00	36.00	38.00
Vocational	3.00	3.00	3.00	3.00	3.00	5.50
Support Services:						
Pupil	45.00	44.60	41.00	40.00	39.00	56.00
Instructional staff	6.00	8.00	7.00	6.00	5.00	10.00
Administration	19.00	15.00	15.00	15.00	14.00	14.00
Clerical	25.00	22.00	21.00	20.00	20.00	20.00
Fiscal	5.00	5.00	4.00	4.00	4.00	4.00
Operations and maintenance	29.00	29.00	30.00	30.00	30.00	35.00
Pupil transportation	45.00	43.00	42.00	42.00	44.00	46.00
Food service operations	2.00	2.00	2.00	2.00	2.00	2.00
Harvest Preparatory School	2.00	2.00	2.00	3.00	2.00	4.00
Total Governmental Activities	397.00	385.00	371.00	370.00	366.00	418.75

Source: School District records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
235.80	222.00	226.00	217.00
4.00	3.00	3.00	4.00
2.00	2.00	2.00	2.00
12.00	12.00	12.00	12.00
<u>146.00</u>	<u>128.00</u>	<u>128.00</u>	<u>125.00</u>
<u><u>399.80</u></u>	<u><u>367.00</u></u>	<u><u>371.00</u></u>	<u><u>360.00</u></u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
171.75	174.70	176.50	165.50
37.50	19.00	19.00	22.00
5.75	7.50	7.50	8.50
52.80	37.80	41.00	42.00
9.00	7.60	7.60	8.60
14.00	14.00	14.00	14.00
19.00	19.00	17.00	18.00
4.00	4.00	4.00	4.00
34.00	34.00	34.00	28.00
45.00	42.00	44.00	42.00
3.00	3.00	3.00	3.00
<u>4.00</u>	<u>4.40</u>	<u>3.40</u>	<u>4.40</u>
<u><u>399.80</u></u>	<u><u>367.00</u></u>	<u><u>371.00</u></u>	<u><u>360.00</u></u>

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

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

Function	2016	2015	2014	2013	2012	2011	2010
Instruction:							
Regular and Special							
Enrollment (students)	3,741	3,679	3,637	3,606	3,572	3,601	3,609
Graduates	280	258	251	245	221	224	227
Support services:							
Board of education							
Regular meetings per year	12	12	12	12	12	12	12
Special meetings per year	6	5	6	5	19	11	6
Administration							
Nonpayroll checks issued	3,977	4,808	3,762	3,845	4,141	4,455	4,243
Pupil transportation							
Avg. students transported daily	2,422	2,243	2,268	2,223	2,271	2,313	2,270
Food service operations							
Meals served to students	302,813	291,706	279,933	278,536	294,182	308,516	306,384
Breakfast served to students	104,297	75,458	68,271	65,859	63,379	58,344	63,490

Source: School District records.

Note: Enrollment figures are taken from EMIS reports.

N/A: Information for the breakfast served to students is not applicable for fiscal year 2007.

<u>2009</u>	<u>2008</u>	<u>2007</u>
3,454	3,411	3,247
194	207	170
12	12	12
11	10	22
5,070	4,520	4,958
2,022	2,348	2,118
304,172	290,653	256,630
52,741	921	N/A

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014 (B)</u>	<u>2013</u>
Governmental Activities:				
Land	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648
Land improvements	52,718	53,789	54,859	55,929
Buildings and improvements	63,120,794	62,983,575	63,563,881	62,387,333
Furniture and equipment	2,455,118	2,313,406	2,592,967	2,082,522
Vehicles	1,170,817	1,318,965	660,325	531,587
Construction in progress	-	416,630	-	2,253,315
Total Governmental Activities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital Assets, net	<u>\$ 70,498,095</u>	<u>\$ 70,785,013</u>	<u>\$ 70,570,680</u>	<u>\$ 71,009,334</u>
Business-type Activities:				
Furniture and equipment	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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) Capital assets were restated at June 30, 2014 as described in Note 10 of the notes to the basic financial statements.

2012	2011 (A)	2010	2009	2008	2007
\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648
56,999	58,069	59,140	60,210	61,280	62,350
63,126,921	63,862,168	64,634,286	65,368,670	66,140,493	35,681,164
2,104,827	2,249,411	2,305,998	2,485,632	2,532,187	2,028,668
461,953	588,534	534,604	692,141	851,702	1,029,254
1,227,300	-	-	-	-	22,868,642
<u>\$ 70,676,648</u>	<u>\$ 70,456,830</u>	<u>\$ 71,232,676</u>	<u>\$ 72,305,301</u>	<u>\$ 73,284,310</u>	<u>\$ 65,368,726</u>
\$ -	\$ -	\$ 102,815	\$ 115,250	\$ 127,684	\$ 140,118
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,815</u>	<u>\$ 115,250</u>	<u>\$ 127,684</u>	<u>\$ 140,118</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Indian Trail Elementary (1999)						
Square feet	94,693	94,693	94,693	94,693	94,693	94,693
Capacity (students)	825	825	825	825	825	825
Enrollment	786	803	812	780	776	755
Number of Teachers (A)	45	41	41	41	39	44
Pupil to Teacher Ratio	17.5	19.6	20.0	18.9	22.1	18.9
Winchester Trail Elementary (2002, 2008)						
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	877	956	884	882	882	961
Number of Teachers (A)	59	58	53	55	55	63
Pupil to Teacher Ratio	14.9	16.5	16.7	16.0	14.8	14.2
Intermediate School						
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
Old Middle School						
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
Modular Classrooms (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
Middle School (2008)						
Square feet	130,958	130,958	130,958	130,958	130,958	130,958
Capacity (students)	921	921	921	921	921	921
Enrollment	905	877	919	901	896	866
Number of Teachers (A)	58	57	58	56	56	60
Pupil to Teacher Ratio	15.6	15.3	15.9	16.1	16.1	14.5
High School (1976, 1998, 2003)						
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	1,173	1,043	1,022	1,043	1,018	1,019
Number of Teachers (A)	59	58	56	56	57	61
Pupil to Teacher Ratio	19.9	17.9	19.5	19.9	18.8	17.3
Total enrollment by year	3,741	3,679	3,637	3,606	3,572	3,601
Total teachers by year	221	214	207	208	206	228

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.

2010	2009	2008	2007
94,693	94,693	94,693	94,693
825	825	825	825
809	826	842	859
44	47	47	43
20.6	18.9	18.9	20.0
118,299	118,299	118,299	72,174
1,125	1,125	1,125	525
955	903	847	518
58	51	50	32
15.1	17.0	16.3	16.2
N/A	N/A	N/A	46,500
N/A	N/A	N/A	475
N/A	N/A	N/A	518
N/A	N/A	N/A	30
N/A	N/A	N/A	17.3
N/A	N/A	N/A	69,660
N/A	N/A	N/A	325
N/A	N/A	N/A	508
N/A	N/A	N/A	36
N/A	N/A	N/A	14.1
N/A	N/A	N/A	12,740
N/A	N/A	N/A	200
130,958	130,958	130,958	N/A
921	921	921	N/A
857	801	804	N/A
56	49	49	N/A
15.2	16.3	16.3	N/A
136,148	136,148	136,148	90,248
1,025	1,025	1,025	680
988	924	918	844
57	55	57	55
18.0	17.6	16.8	16.2
3,609	3,454	3,411	3,247
215	201	203	196

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change	Teaching Staff	Pupil/Teacher Ratio
	Expenditures (A)	Cost per Pupil	Expenses (A)	Cost per Pupil				
2016	\$ 41,215,145	\$ 11,017	\$ 41,189,092	\$ 11,010	3,741	1.69%	221	16.93
2015	40,839,502	11,101	40,122,700	10,906	3,679	1.15%	214	17.19
2014	37,376,345	10,277	38,437,145	10,568	3,637	0.86%	207	17.54
2013	37,107,381	10,290	36,853,318	10,220	3,606	0.95%	208	17.38
2012	36,642,366	10,258	36,277,259	10,156	3,572	-0.81%	206	17.34
2011	37,332,144	10,367	38,912,714	10,806	3,601	-0.22%	228	15.81
2010	34,627,699	9,595	34,941,661	9,682	3,609	4.49%	215	16.79
2009	33,102,128	9,584	33,485,903	9,695	3,454	1.26%	201	17.17
2008	39,949,803	11,712	31,497,191	9,234	3,411	5.05%	203	16.80
2007	49,810,049	15,340	31,312,701	9,644	3,247	7.20%	196	16.57

Source: School District financial records. The enrollment is located on the Demographic and Economic Statistics table on page 147 and the teaching staff was provided by School District records.

(A) Debt Service totals have been excluded.

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

**TEACHERS STATISTICS
LAST TEN FISCAL YEARS**

	2016	2015	2014	2013	2012	2011	2010
Teachers' Salaries							
Average Salary	N/A	\$ 55,937	\$ 56,822	\$ 56,501	\$ 55,444	\$ 53,544	\$ 53,529
Teaching Experience							
0-4 Years	N/A	17.47%	16.97%	22.27%	18.55%	21.93%	21.08%
4-10 Years	N/A	18.78%	17.89%	16.59%	20.36%	25.44%	28.70%
10 or More Years	N/A	63.75%	65.14%	61.14%	61.09%	52.63%	50.22%

Source: Ohio Department of Education.

N/A - Information is not available.

<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 53,545	\$ 51,297	\$ 49,298
13.80%	25.10%	24.60%
32.40%	30.80%	29.60%
53.80%	44.10%	45.80%

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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 14, 2017**