

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

JOYCE BOYER, TREASURER



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 Accountants' Report* of the Canal Winchester Local School District, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2011 through June 30, 2012. 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

February 15, 2013

This page intentionally left blank.

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

TABLE OF CONTENTS

| | |
|--|-------|
| Schedule of Receipts and Expenditures of Federal Awards | 1 - 2 |
| Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 3 - 4 |
| Independent Accountants' Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i> | 5 - 7 |
| Schedule of Findings OMB <i>Circular A-133</i> § .505 | 8 |

CANAL WINCHESTER LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE | CFDA NUMBER | (A) PASS-THROUGH GRANT NUMBER | (B) CASH FEDERAL RECEIPTS | (B) CASH FEDERAL DISBURSEMENTS |
|---|----------------|--|------------------------------------|---|
| U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION | | | | |
| <i>Child Nutrition Grant Cluster:</i> | | | | |
| (C)(D) School Breakfast Program | 10.553 | 2012 | \$ 89,210 | \$ 89,210 |
| (C)(D) National School Lunch Program | 10.555 | 2012 | 397,975 | 397,975 |
| (D)(E) National School Lunch Program - Food Donation | 10.555 | 2012 | 73,960 | 73,960 |
| Total National School Lunch Program | | | 471,935 | 471,935 |
| Total U.S. Department of Agriculture and Child Nutrition Grant Cluster | | | 561,145 | 561,145 |
| U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION | | | | |
| <i>Title I Grant Cluster:</i> | | | | |
| (F)(H) Title I Grants to Local Educational Agencies | 84.010 | 2011 | 30,839 | 48,116 |
| (F)(H) Title I Grants to Local Educational Agencies | 84.010 | 2012 | 197,307 | 192,968 |
| (F) Title I Grants to Local Educational Agencies | 84.010 | 2012 | 47,555 | 39,649 |
| Total Title I Grants to Local Educational Agencies | | | 275,701 | 280,733 |
| (F) ARRA - Title I Grants to Local Educational Agencies, Recovery Act | 84.389 | 2011 | 22,491 | 25,292 |
| Total Title I Grant Cluster | | | 298,192 | 306,025 |
| <i>Special Education Grant Cluster:</i> | | | | |
| (G)(H) Special Education_Grants to States | 84.027 | 2011 | 65,439 | 74,400 |
| (G)(H) Special Education_Grants to States | 84.027 | 2012 | 495,207 | 541,481 |
| Total Special Education_Grants to States | | | 560,646 | 615,881 |
| (G) ARRA - Special Education Grants to States, Recovery Act | 84.391 | 2011 | 45,629 | 73,611 |
| (G) Special Education_Preschool Grants | 84.173 | 2012 | 3,827 | 3,827 |
| Total Special Education Grant Cluster | | | 610,102 | 693,319 |
| (H) Educational Technology State Grants | 84.318 | 2011 | (247) | - |
| (H) Educational Technology State Grants | 84.318 | 2012 | 2,878 | 2,878 |
| Total Educational Technology State Grants | | | 2,631 | 2,878 |
| (H) English Language Acquisition State Grants | 84.365 | 2011 | 5,765 | 1,255 |
| (H) English Language Acquisition State Grants | 84.365 | 2012 | 5,316 | 4,959 |
| Total English Language Acquisition State Grants | | | 11,081 | 6,214 |
| (H) Improving Teacher Quality State Grants | 84.367 | 2011 | (1,490) | 759 |
| (H) Improving Teacher Quality State Grants | 84.367 | 2012 | 39,333 | 39,333 |
| Total Improving Teacher Quality State Grants | | | 37,843 | 40,092 |
| (H) ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395A | 2011 | (3,219) | - |
| (H) ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | 84.395A | 2012 | 30,186 | 29,179 |
| Total ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act | | | 26,967 | 29,179 |
| Education Jobs Fund | 84.410 | 2012 | 588,855 | 594,712 |
| Total U.S. Department of Education | | | 1,575,671 | 1,672,419 |
| Total Federal Financial Assistance | | | \$ 2,136,816 | \$ 2,233,564 |

- Continued

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS:

- (A) OAKS did not assign pass through numbers for fiscal year 2012.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs
- (E) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at entitlement value
- (F) Included as part of "Title I Grant Cluster" in determining major programs
- (G) Included as part of "Special Education Grant Cluster" in determining major programs
- (H) The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with Ohio Department of Education ("ODE")'s approval, a District may transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. Schools can document this by using special cost centers for each year's activity, and transferring the amounts ODE approves between the cost centers. During fiscal year 2012, the ODE authorized the following transfers:

| Program Title | CFDA | Grant Year | Transfers Out | Transfers In |
|---|---------|------------|------------------|------------------|
| Title I Grants to Local Educational Agencies | 84.010 | 2011 | \$ 4,067 | |
| Title I Grants to Local Educational Agencies | 84.010 | 2012 | | \$ 4,067 |
| Special Education_Grants to States | 84.027 | 2011 | 6,384 | |
| Special Education_Grants to States | 84.027 | 2012 | | 6,384 |
| Educational Technology State Grants | 84.318 | 2011 | 247 | |
| Educational Technology State Grants | 84.318 | 2012 | | 247 |
| English Language Acquisition State Grants | 84.365 | 2011 | 150 | |
| English Language Acquisition State Grants | 84.365 | 2012 | | 150 |
| Improving Teacher Quality State Grants | 84.367 | 2011 | 1,490 | |
| Improving Teacher Quality State Grants | 84.367 | 2012 | | 1,490 |
| ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Ac | 84.395A | 2011 | 3,219 | |
| ARRA - State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Ac | 84.395A | 2012 | | 3,219 |
| Totals | | | <u>\$ 15,557</u> | <u>\$ 15,557</u> |

This page intentionally left blank.



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

To the Board of Education:

We have audited 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, Ohio, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Canal Winchester Local School District's basic financial statements and have issued our report thereon dated December 13, 2012. As disclosed in Note 3.B. to the basic financial statements, fund balances and net assets have been restated at July 1, 2011 due to a fund reclassification. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Canal Winchester Local School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Canal Winchester Local School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Canal Winchester Local School District's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Canal Winchester Local School District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Education
Canal Winchester Local School District

Compliance and Other Matters

As part of reasonably assuring whether the Canal Winchester Local School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion 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*.

We intend this report solely for the information and use of the management and Board of Education of the Canal Winchester Local School District, federal awarding agencies and pass-through entities, and others within the Canal Winchester Local School District. We intend it for no one other than these specified parties.

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

Julian & Grube, Inc.
December 13, 2012



Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Accountants' Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

To the Board of Education:

Compliance

We have audited the compliance of the Canal Winchester Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect the Canal Winchester Local School District's major federal program for the fiscal year ended June 30, 2012. The summary of auditor's results section of the accompanying schedule of findings identifies the Canal Winchester Local School District's major federal program. The Canal Winchester Local School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the Canal Winchester Local School District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Canal Winchester Local School District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Canal Winchester Local School District's compliance with these requirements.

In our opinion, the Canal Winchester Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2012.

Board of Education
Canal Winchester Local School District

Internal Control Over Compliance

The Canal Winchester Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Canal Winchester Local School District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of Canal Winchester Local School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Receipts and Expenditures of Federal Awards

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Canal Winchester Local School District, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 13, 2012, wherein we noted fund balances and net assets have been restated at July 1, 2011 due to a fund reclassification. Our audit was performed to form opinions on the financial statements that collectively comprise the Canal Winchester Local School District's basic financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Board of Education
Canal Winchester Local School District

We intend this report solely for the information and use of the management and Board of Education of the Canal Winchester Local School District, federal awarding agencies and pass-through entities, and others within the Canal Winchester Local School District. We intend it for no one other than these specified parties.

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

Julian & Grube, Inc.
December 13, 2012

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2012**

| 1. SUMMARY OF AUDITOR'S RESULTS | | |
|---|---|--|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unqualified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weaknesses reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any significant deficiencies in internal control reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Program's Compliance Opinion</i> | Unqualified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under §.510(a)?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Program (listed):</i> | Education Jobs Fund, CFDA #84.410 |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: >\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee?</i> | Yes |
| 2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS | | |

None

| |
|--|
| 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS |
|--|

None



Canal Winchester

LOCAL SCHOOLS

Canal Winchester, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by
Joyce A. Boyer, Treasurer

THIS PAGE IS INTENTIONALLY LEFT BLANK

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**CANAL WINCHESTER LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2012

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

THIS PAGE IS INTENTIONALLY LEFT BLANK



INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

| | |
|-----------------------------|-------|
| Table of Contents..... | i-iii |
| Letter of Transmittal | 1-6 |
| Principal Officials | 7 |
| Organizational Chart..... | 8 |

II. FINANCIAL SECTION

| | |
|--|-------|
| INDEPENDENT ACCOUNTANTS' REPORT | 9-10 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 11-20 |
| BASIC FINANCIAL STATEMENTS: | |
| Government-Wide Financial Statements: | |
| Statement of Net Assets..... | 22 |
| Statement of Activities | 23 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds..... | 24 |
| Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities..... | 25 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..... | 26 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 27 |
| Statement of Revenues, Expenditures and Changes in Fund Budget and Actual (Non-GAAP Budgetary Basis) - General Fund | 28 |
| Statement of Net Assets – Proprietary Fund..... | 29 |
| Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund..... | 30 |
| Statement of Cash Flows – Proprietary Fund | 31 |
| Statement of Fiduciary Net Assets - Fiduciary Fund..... | 32 |
| Notes to the Basic Financial Statements | 33-70 |
| COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES: | |
| Fund Descriptions – Major Funds | 72 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Bond Retirement..... | 73 |

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES – (Continued):

| | |
|--|-------|
| Fund Descriptions - Nonmajor Governmental Funds..... | 74-75 |
| Combining Balance Sheet - Nonmajor Governmental Funds | 76 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 77 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds..... | 78-81 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | 82-85 |
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) | |
| Nonmajor Special Revenue Funds: | |
| Food Service | 86 |
| Special Trust..... | 86 |
| Endowment..... | 86 |
| Other Grants | 86 |
| Classroom Facilities Maintenance..... | 87 |
| District Managed Student Activities..... | 87 |
| Auxiliary Services | 87 |
| EMIS | 87 |
| Data Communication..... | 88 |
| Education Jobs..... | 88 |
| Race to the Top..... | 88 |
| IDEA, Part B | 88 |
| Title II-D Technology | 89 |
| Title I School Improvement..... | 89 |
| Limited English Proficiency..... | 89 |
| Title I Disadvantaged Children..... | 89 |
| IDEA Preschool - Handicapped | 90 |
| Improving Teacher Quality | 90 |
| Nonmajor Governmental Funds included in the General Fund on GAAP basis: | |
| Public School Support | 90 |
| Nonmajor Capital Projects Funds: | |
| Permanent Improvement | 90 |
| Building | 91 |
| Combining Balance Sheet - Nonmajor Capital Projects Funds..... | 92 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds..... | 93 |
| Fund Description – Internal Service Fund..... | 94 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Employee Benefits Self-Insurance | 95 |
| Fund Description – Fiduciary Fund..... | 96 |
| Statement of Changes in Assets and Liabilities – Agency Fund: | |
| Student Activity..... | 97 |

III. STATISTICAL SECTION

| | |
|--|---------|
| Table of Contents..... | 99 |
| Net Assets by Component - Last Ten Fiscal Years | 100-101 |
| Changes in Net Assets - Last Ten Fiscal Years | 102-107 |
| Fund Balances, Governmental Funds - Last Ten Fiscal Years | 108-109 |
| Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years | 110-113 |
| Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years..... | 114-115 |
| Property Tax Rates – Direct and Overlapping Governments - Last Ten Calendar Years | 116 |
| Principal Property Tax Payers – December 31, 2011 and December 31, 2002 | 117 |
| Property Tax Levies and Collections - Last Ten Fiscal Years..... | 118-119 |
| Ratios of Outstanding Debt by Type - Last Ten Fiscal Years | 120-121 |
| Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years..... | 122 |
| Direct and Overlapping Governmental Activities Debt - As of June 30, 2012..... | 123 |
| Legal Debt Margin Information - Last Ten Fiscal Years | 124 |
| Demographic and Economic Statistics - Last Ten Fiscal Years | 125 |
| Principal Employers - Current Year | 126 |
| Staffing Statistics, Full Time Equivalents (FTE) by Type and Function -Last Ten Fiscal Years.... | 128-129 |
| Operating Indicators by Function - Last Ten Fiscal Years | 130-131 |
| Capital Asset Statistics - Last Ten Fiscal Years | 132-133 |
| School Building Information - Last Ten Fiscal Years | 134-135 |
| Operating Statistics - Last Ten Fiscal Years..... | 136 |
| Teachers Statistics –Last Ten Fiscal Years..... | 138-139 |

THIS PAGE IS INTENTIONALLY LEFT BLANK

December 13, 2012

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, 2012 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, 2012, were audited by Julian & Grube, Inc. whose opinion thereon is included at the beginning of the Financial Section of this report.

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

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

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

PROFILE OF THE DISTRICT

The District originated in the early 1800’s, built its first building in 1862, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is in a suburb of Columbus, the state capital, and operates one high school, one middle school, and two elementary schools as of June 30, 2012. The District enrolled approximately 3,627 students during the 2011-12 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, the Curriculum Supervisor, Coordinator of Student Activities, Director of Special Education, Technology Coordinator, District Testing and Data Coordinator, and the building principals.

Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

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

Budgetary Controls:

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

Instructional Organization:

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

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

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

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

In March of 2000, District residents approved a bond issue that funded a significant renovation to the district's then historic Middle School, phase III of the high school, a stand-alone gymnasium, and another elementary school – Winchester Trail Elementary. These construction projects increased our high school capacity to 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 Recreation Organization.

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

STUDENT ACHIEVEMENT

Scholastic Performance: For the 2011-2012 school year, the District met 25 of 26 indicators on the Ohio Department of Education's Local Report Card for schools. In addition, the District earned a Performance Index 100.3, and met the federal Adequate Yearly Progress goals established by No Child Left Behind with seven of eight student subgroups. Canal Winchester Local Schools earned an “Excellent” rating by the Ohio Department of Education. The District graduated 96.1% (4 Year Cohort Rate) of students for the 2011-2012 school year, exceeding the State requirement of 90%.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

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

Professional Development: Job-embedded professional development is provided to all teaching staff during data team meetings, two district-wide professional development days and state-granted waiver days. Professional development revolves around identified teacher needs which are surveyed and prioritized annually. Our professional learning foci are as follows: improving reading instruction, meeting the needs of students with disabilities and understanding teaching and learning using the new Common Core. Teacher learning opportunities in the area of technology integration are being addressed across all foci.

Gifted & Talented Programs: In-house programs for gifted and talented students are provided at Winchester Trail Elementary School (grades 3-5) using inclusion and differentiation in grade three and compacted 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.

Gifted & Talented Programs: In-house programs for gifted and talented students are provided at Winchester Trail Elementary School (grades 3-5) using inclusion and differentiation in grade three and compacted mathematics and English language arts curriculum in grades four and five. Two gifted intervention specialist staff the elementary building, providing an opportunity for these teachers to act as a gifted resource to all classroom teachers. Acceleration/enrichment courses for advanced students are provided for students at the middle school and high school.

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

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

High School Credit as an Option for Eighth Grade Students: Eighth grade students have the option of earning High School credits for Algebra as well as Spanish.

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 in a nine-week related arts block. 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. The District surveyed its parents to determine the type of information that parents wanted to find on our website. Given this information, the website was redesigned and has been well received. Lastly, the District purchased an emergency notification system to inform parents in a timely fashion of school emergencies or calamity days.

Summer Intervention

Summer intervention is provided to students who are not considered 'proficient' in reading during elementary school as determined by teacher recommendations for early learners and by the Ohio Achievement Assessment for students in grades two and three. Summer intervention is available for high school students in all content areas in preparation for re-taking the Ohio Graduation Test. High School students have the opportunity to earn Physical Education credit during summer months.

Intervention is provided for students in grades 1-5 during the regular school day through content specific and tiered instruction as well as after school reading and math programs.

Comprehensive Continuous Improvement Plan:

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

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

Special Education: The District’s Special Education Programs provide a full continuum of services from Preschool through 12th grade based on the individual needs of its approximate 482 students on Individualized Education Programs (IEPs). Services are provided in all four buildings and programs outside of the District. These services range from inclusion support to homebound/hospitalization. Special Needs programs include multiple disabilities, emotional disturbance, autism and cognitive disabilities. The District supports these classrooms through smaller class sizes (based on state requirements), intensive related services support, and paraprofessionals in the classrooms. Canal Winchester has 11 low incidence classrooms. Each building has at least one special education cross-categorical classroom that serves as a resource room 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 many buildings with its special education teachers. These teachers support and co-teach with general education teachers in the general education setting without pulling the IEP students from the classroom. Canal Winchester has 21 teachers who provide cross-categorical resource room services, and inclusion support in the general classroom.

These classrooms are supported by a well-experienced related services staff consisting of 3 school psychologists, 3.8 speech therapists, .5 adaptive physical education teacher, 3 physical/occupational therapists, 1 academic/behavior therapist, and 1 work-study coordinator. Some of these services and additional services are contracted with other agencies as well. All 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. 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 March 2011, the Board reached a two-year agreement with the Canal Winchester Education Association, which enabled the District to operate for the 2011-12 and 2012-13 school year without an increase in the salary schedule.

On November 8, 2011, District voters approved a renewal of the emergency levy with a reduction in the total to be collected. The levy commences in tax year 2011 with collections beginning January 2012. This levy will generate \$5.83 million per year for calendar year 2012, 2013 and 2014. The levy proceeds will be used for current operating expenses. The District's leadership believes that the recent budget reductions and the 0% increase for all staff, in combination with the passage of the August 2011 levy, will provide much-improved financial stability for the District throughout the length of the levy.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. This category of "set-asides" or reserve is pertinent to the District: the capital acquisition set-aside. The set-asides for the capital acquisition are required by State statute. For fiscal year 2012, 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.

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 her 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,



Joyce A. Boyer

Treasurer

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

**PRINCIPAL OFFICIALS
JUNE 30, 2012**

BOARD OF EDUCATION

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

SUPERINTENDENT

Kimberley R. Miller-Smith

TREASURER

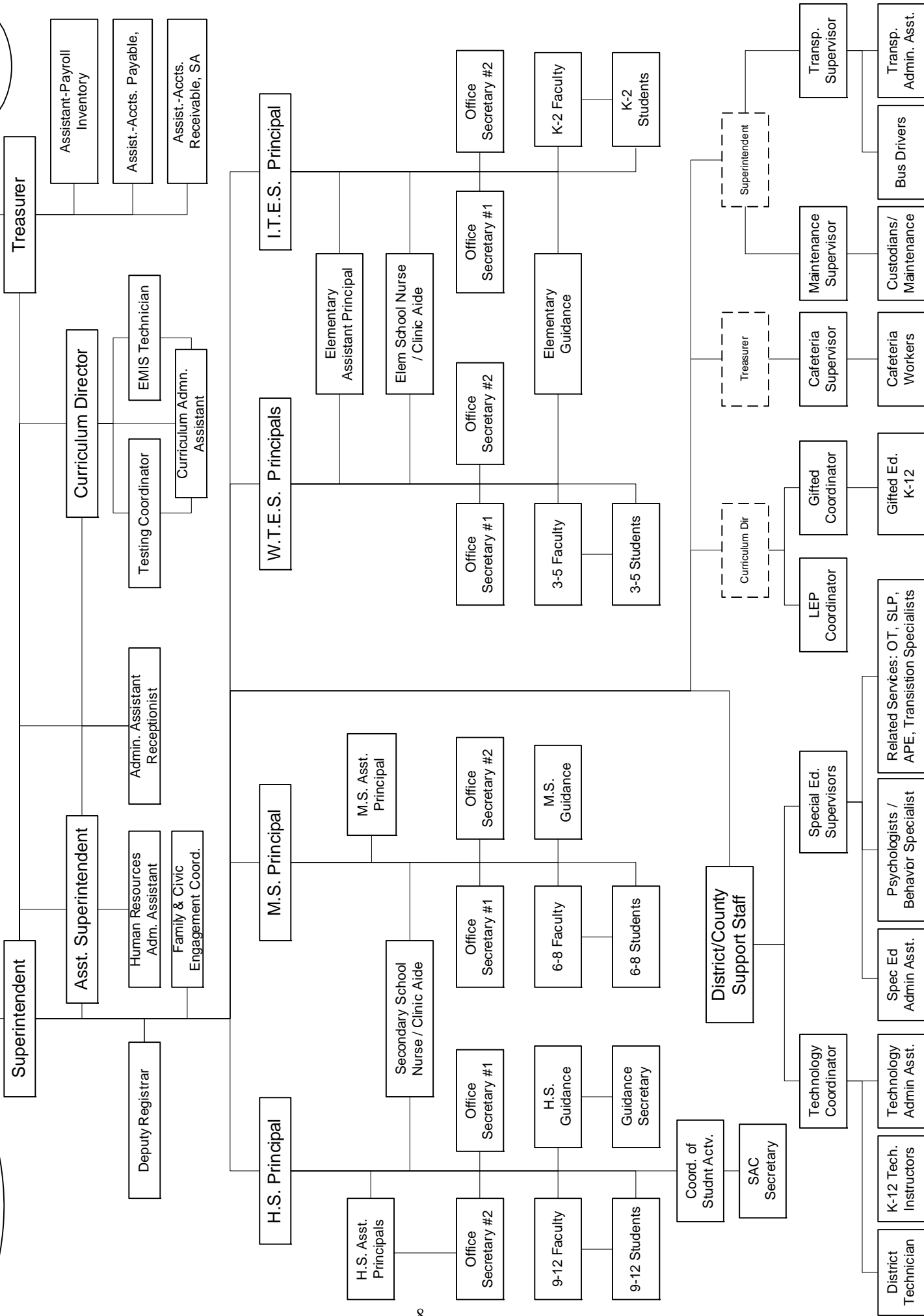
Joyce A. Boyer

ADMINISTRATIVE STAFF

| | |
|---------------------|--|
| Barbara J. Harrison | Assistant Superintendent |
| Kirk Henderson | High School Principal |
| Shawn Haughn | Assistant High School Principal |
| Cassandra Miller | Middle School Principal |
| Daniel Senu-Oke | Assistant Middle School Principal |
| Michael Bruning | Winchester Trail Elementary Principal |
| Beverly Downing | Indian Trail Elementary Principal |
| Jamie King | Assistant Principal at Winchester Trail & Indian Trail Elementary |
| William Whitlatch | Data/Research Administrator |
| David Dewese | Technology Coordination |
| Kent Riggs | Coordinator of Student Activities |
| Roger McLoney | Facility Supervisor |
| Beverly Hockman | Transportation Coordinator |

Canal Winchester Board of Education

Canal Winchester Schools
Organizational Chart





FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK



Julian & Grube, Inc.
Serving Ohio Local Governments

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

Independent Accountants' Report

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

To the Board of Education:

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, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Canal Winchester Local School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Canal Winchester Local School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3.B. to the basic financial statements, fund balances and net assets have been restated at July 1, 2011 due to a fund reclassification.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2012, on our consideration of the Canal Winchester Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Independent Accountants' Report
Canal Winchester Local School District

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the Canal Winchester Local School District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and is not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Julian & Grube, Inc.
December 13, 2012

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
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, 2012. 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 2012 are as follows:

- The District restated net assets as described in Note 3.B. Net assets of governmental activities increased \$2,049,129, which represents a 10.43% increase from 2011.
- General revenues accounted for \$36,285,352 in revenue or 87.57% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,149,555 or 12.43% of total governmental activities revenues of \$41,434,907.
- The District had \$39,385,778 in expenses related to governmental activities, \$5,149,555 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$36,285,352 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 \$34,506,560 in revenues and \$31,943,985 in expenditures and other financing uses. The fund balance of the general fund increased \$2,562,575 from a balance of \$7,228,989 to \$9,791,564.
- The debt service fund had \$6,907,601 in revenues and other financing sources and \$6,639,630 in expenditures. The fund balance of the debt service fund increased \$267,971 from \$2,425,323 to \$2,693,294.

Using the Comprehensive Annual 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 assets 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, 2012
UNAUDITED**

Reporting the District as a Whole

Statement of Net Assets 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 2012?" The statement of net assets and statement of activities answer this question. These statements include all non-fiduciary assets, liabilities, 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 assets and changes in those assets. This change in net assets 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 assets 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 assets and statement of activities can be found on pages 22-23 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 17. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 24-28 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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 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 29-31 of this report.

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 32. 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 33-70 of this report.

The District as a Whole

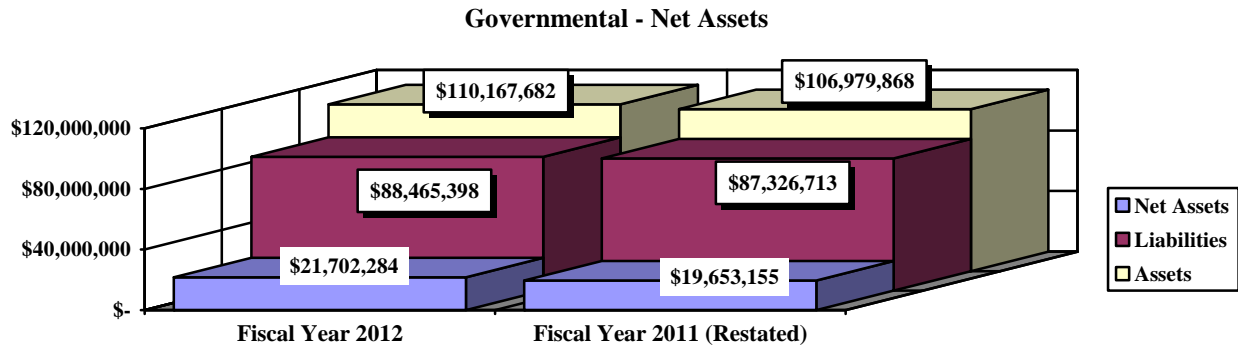
The District restated net assets as described in Note 3.B. The table below provides a summary of the District's net assets for fiscal years 2012 and 2011.

| | Net Assets | |
|--|----------------------------|-------------------------|
| | Governmental Activities | |
| | <u>2012</u> | Restated <u>2011</u> |
| <u>Assets</u> | | |
| Current assets | \$ 39,491,034 | \$ 36,523,038 |
| Capital assets, net | <u>70,676,648</u> | <u>70,456,830</u> |
| Total assets | <u>110,167,682</u> | <u>106,979,868</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 18,924,200 | 19,501,058 |
| Long-term liabilities | <u>69,541,198</u> | <u>67,825,655</u> |
| Total liabilities | <u>88,465,398</u> | <u>87,326,713</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | 7,489,216 | 6,298,927 |
| Restricted | 4,488,963 | 4,511,058 |
| Unrestricted | <u>9,724,105</u> | <u>8,843,170</u> |
| Total net assets | <u>\$ 21,702,284</u> | <u>\$ 19,653,155</u> |

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The graph below presents the District's governmental assets, liabilities and net assets for fiscal years 2012 and 2011.



The table below shows the changes in net assets for fiscal years 2012 and 2011.

Change in Net Assets

| | Governmental Activities | |
|------------------------------------|----------------------------|-------------------|
| | 2012 | Restated 2011 |
| Revenues | | |
| Program revenues: | | |
| Charges for services and sales | \$ 1,810,741 | \$ 1,785,983 |
| Operating grants and contributions | 3,338,814 | 5,412,675 |
| General revenues: | | |
| Property taxes | 18,390,879 | 18,751,050 |
| Income taxes | 3,179,827 | 3,911,298 |
| Revenue in lieu of taxes | 244,242 | 454,264 |
| Grants and entitlements | 14,332,282 | 14,318,122 |
| Investment earnings | 34,728 | 28,659 |
| Miscellaneous | 103,394 | 93,762 |
| Total revenues | <u>41,434,907</u> | <u>44,755,813</u> |

In the area of program revenues, the significant decrease was in operating grants and contributions which decreased \$2,073,861. This decrease is attributable primarily to federal stimulus money that was available in 2011, such as Education Jobs, Education Stabilization and Stimulus Title II D that these funds were not available in 2012.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, payments in lieu of taxes and unrestricted grants and entitlements. These revenue sources represent 87.24% of total governmental revenue. Real estate property is reappraised every six years.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

| | Governmental Activities | |
|--|----------------------------|------------------|
| | 2012 | Restated 2011 |
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | \$ 15,637,136 | \$ 16,452,249 |
| Special | 3,710,163 | 4,023,824 |
| Vocational | 413,484 | 475,595 |
| Other | 312,101 | 410,222 |
| Support services: | | |
| Pupil | 1,910,469 | 2,156,770 |
| Instructional staff | 1,280,192 | 1,766,319 |
| Board of education | 150,839 | 170,357 |
| Administration | 2,768,846 | 2,902,533 |
| Fiscal | 907,327 | 933,943 |
| Operations and maintenance | 4,033,281 | 4,439,809 |
| Pupil transportation | 2,593,268 | 2,643,485 |
| Central | 263,107 | 366,207 |
| Operation of non-instructional services | 216,305 | 18,912 |
| Food service | 1,185,011 | 1,143,055 |
| Extracurricular activities | 895,730 | 1,009,434 |
| Interest and fiscal charges | 3,108,519 | 3,036,205 |
| Total expenses | 39,385,778 | 41,948,919 |
| Changes in net assets | 2,049,129 | 2,806,894 |
| Net assets at beginning of year (restated) | 19,653,155 | 16,846,261 |
| Net assets at end of year | \$ 21,702,284 | \$ 19,653,155 |

Governmental Activities

Net assets of the District's governmental activities increased \$2,049,129. Total governmental expenses of \$39,385,778 were offset by program revenues of \$5,149,555 and general revenues of \$36,285,352. Program revenues supported 13.07% of the total governmental expenses.

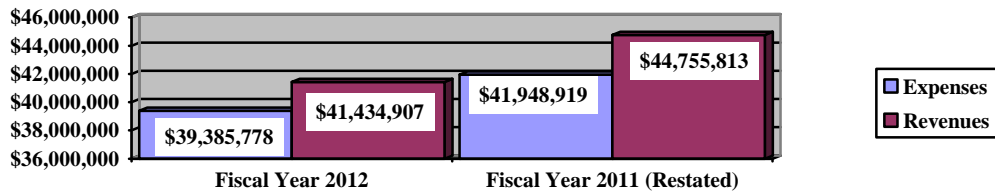
The largest expense of the District is for instructional programs. Instruction expenses totaled \$20,072,884 or 50.96% of total governmental expenses for fiscal year 2012.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2012 and 2011.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2012 and 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

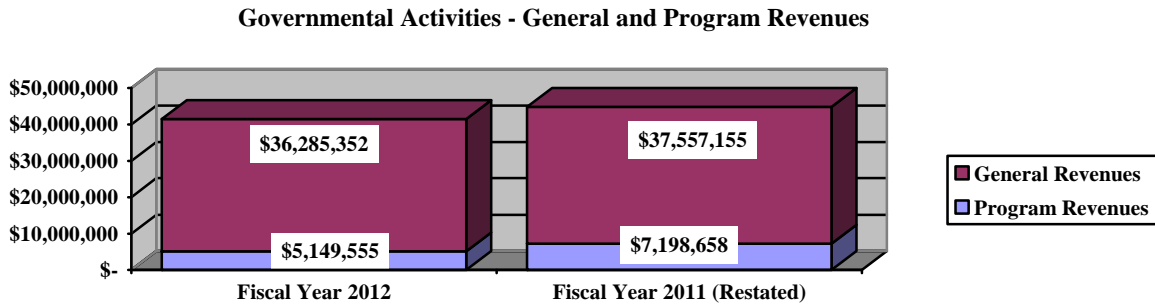
| | Total Cost of Services <u>2012</u> | Net Cost of Services <u>2012</u> | Restated Total Cost of Services <u>2011</u> | Restated Net Cost of Services <u>2011</u> |
|---|--|--|--|--|
| Program expenses: | | | | |
| Instruction: | | | | |
| Regular | \$ 15,637,136 | \$ 15,086,991 | \$ 16,452,249 | \$ 14,675,570 |
| Special | 3,710,163 | 2,100,019 | 4,023,824 | 2,216,093 |
| Vocational | 413,484 | 227,183 | 475,595 | 289,294 |
| Other | 312,101 | 152,094 | 410,222 | 227,766 |
| Support services: | | | | |
| Pupil | 1,910,469 | 1,771,321 | 2,156,770 | 1,961,554 |
| Instructional staff | 1,280,192 | 1,028,676 | 1,766,319 | 1,403,477 |
| Board of Education | 150,839 | 150,839 | 170,357 | 170,357 |
| Administration | 2,768,846 | 2,566,151 | 2,902,533 | 2,249,854 |
| Fiscal | 907,327 | 907,327 | 933,943 | 921,629 |
| Operations and maintenance | 4,033,281 | 3,952,297 | 4,439,809 | 4,372,186 |
| Pupil transportation | 2,593,268 | 2,537,734 | 2,643,485 | 2,558,421 |
| Central | 263,107 | 255,907 | 366,207 | 352,107 |
| Operation of non-instructional services | 216,305 | 216,305 | 18,912 | 18,912 |
| Food service operation | 1,185,011 | (46,858) | 1,143,055 | (122,683) |
| Extracurricular activities | 895,730 | 221,718 | 1,009,434 | 419,519 |
| Interest and fiscal charges | 3,108,519 | 3,108,519 | 3,036,205 | 3,036,205 |
| Total expenses | \$ 39,385,778 | \$ 34,236,223 | \$ 41,948,919 | \$ 34,750,261 |

The dependence upon tax revenues during fiscal year 2012 for governmental activities is apparent, as 87.51% of 2012 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, 2012
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal years 2012 and 2011.



The District's Governmental Funds

The District's governmental funds (as presented on the balance sheet on page 24) reported a combined fund balance of \$15,163,017, which is above last year's total of \$11,316,119. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2012 and 2011. The District restated fund balances at June 30, 2011 as described in Note 3.B.

| | Fund Balance <u>June 30, 2012</u> | Restated Fund Balance <u>June 30, 2011</u> | <u>Increase</u> |
|--------------------|--------------------------------------|--|---------------------|
| General | \$ 9,791,564 | \$ 7,228,989 | \$ 2,562,575 |
| Debt Service | 2,693,294 | 2,425,323 | 267,971 |
| Other Governmental | <u>2,678,159</u> | <u>1,661,807</u> | <u>1,016,352</u> |
| Total | <u>\$ 15,163,017</u> | <u>\$ 11,316,119</u> | <u>\$ 3,846,898</u> |

General Fund

The District's general fund balance increased \$2,562,575 during 2012. The following table assists in illustrating the revenues of the general fund.

| | 2012 <u>Amount</u> | 2011 <u>Amount</u> | <u>Percentage Change</u> |
|------------------------|-----------------------|-----------------------|------------------------------|
| <u>Revenues</u> | | | |
| Taxes | \$ 18,145,439 | \$ 18,527,676 | (2.06) % |
| Intergovernmental | 15,124,733 | 15,248,273 | (0.81) % |
| Other revenues | <u>1,236,388</u> | <u>1,340,258</u> | (7.75) % |
| Total | <u>\$ 34,506,560</u> | <u>\$ 35,116,207</u> | (1.74) % |

Tax revenues decreased as a result of a decrease in the amount of property taxes available for advance at June 30, 2012 as compared to June 30, 2011 (see Note 6 for detail).

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

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

| <u>Expenditures</u> | <u>2012 Amount</u> | <u>2011 Amount</u> | <u>Percentage Change</u> |
|--------------------------------|------------------------|------------------------|------------------------------|
| Instruction | \$ 18,105,695 | \$ 19,381,003 | (6.58) % |
| Support services | 12,855,680 | 13,483,680 | (4.66) % |
| Operation of non-instructional | 219,495 | - | 100.00 % |
| Extracurricular activities | 545,209 | 663,112 | (17.78) % |
| Capital outlay | - | 91,000 | 100.00 % |
| Debt service | <u>183,706</u> | <u>177,907</u> | 3.26 % |
| Total | <u>\$ 31,909,785</u> | <u>\$ 33,796,702</u> | (5.58) % |

The decrease in capital outlay was a result of the District entering into a new capital lease agreement during the prior year. The decrease in instruction, support services and extracurricular activities was primarily related to an attempt by the District to control wages and benefits and a decrease in the number of certified teaching staff. The increase in debt service was due to payments on the new lease.

Debt Service Fund

The debt service fund had \$6,907,601 in revenues and other financing sources and \$6,639,630 in expenditures. The fund balance of the debt service fund increased from \$2,425,323 to \$2,693,294.

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 2012, 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 \$34,418,521. Final budgeted revenues of \$30,981,427 were \$4,058,657, lower than actual revenues and other financing sources of \$35,040,084.

General fund original appropriations (appropriated expenditures plus other financing uses) were \$34,725,310 and final appropriations were \$35,196,390. The actual budget basis expenditures and other financing uses for fiscal year 2012 totaled \$33,605,330, which was \$1,591,060 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, 2012
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

The District restated capital assets as described in Note 3.B. At the end of fiscal year 2012, the District had \$70,676,648 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The following table shows fiscal year 2012 balances compared to 2011:

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

| | Governmental Activities | |
|----------------------------|-------------------------|------------------|
| | 2012 | Restated 2011 |
| Land | \$ 3,698,648 | \$ 3,698,648 |
| Land improvements | 56,999 | 58,069 |
| Buildings and improvements | 63,126,921 | 63,862,168 |
| Furniture and equipment | 2,104,827 | 2,249,411 |
| Vehicles | 461,953 | 588,534 |
| Construction in progress | 1,227,300 | - |
| Total | \$ 70,676,648 | \$ 70,456,830 |

The District had additions of \$1,542,274, depreciation expense of \$1,248,008 and disposals of \$74,448 (net of accumulated depreciation) in fiscal year 2012.

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

Debt Administration

At June 30, 2012 the District had \$62,502,315 in general obligation bonds, \$115,525 in capital lease obligations, \$1,030,887 in a lease-purchase agreement and \$2,184,257 in energy conservation notes outstanding. Of the total outstanding debt, \$1,786,891 is due within one year and \$64,046,093 is due within greater than one year. The following table summarizes the bonds, notes and lease obligations outstanding.

Outstanding Debt, at Year End

| | Governmental Activities | Governmental Activities |
|---|----------------------------|----------------------------|
| | 2012 | 2011 |
| General obligation bonds | \$ 62,502,315 | \$ 60,402,000 |
| Energy conservation notes | 2,184,257 | - |
| School facilities construction and improvement notes | - | 2,670,000 |
| Capital lease obligation | 115,525 | 188,166 |
| Lease-purchase agreement | 1,030,887 | 1,077,224 |
| Total | \$ 65,832,984 | \$ 64,337,390 |

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, 2012
UNAUDITED**

Current Financial Related Activities

The District continues to offer an excellent education program for the students. The District obtained the rating of Excellent on the Local Report Card.

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

The District received and spent Education Jobs funds during the 2011-2012 school year. This money is no longer available to the District for future years.

The District is also subject to reductions in funding previously provided in the form of a reimbursement for funds lost through the elimination of the Tangible Personal Property Tax Values. These funds are no longer available to the District for future years.

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

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

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

Contacting the District's Financial Management

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

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2012

| | <u>Governmental Activities</u> |
|---|---|
| Assets: | |
| Equity in pooled cash and investments | \$ 12,028,150 |
| Cash with fiscal agent | 2,884,729 |
| Cash in segregated accounts | 175 |
| Receivables: | |
| Property taxes | 21,269,697 |
| Income taxes. | 1,631,084 |
| Payment in lieu of taxes | 246,400 |
| Accounts. | 37,924 |
| Intergovernmental | 534,842 |
| Accrued interest | 7,826 |
| Materials and supplies inventory. | 9,915 |
| Unamortized bond issuance costs | 840,292 |
| Capital assets: | |
| Land and construction in progress. | 4,925,948 |
| Depreciable capital assets, net. | 65,750,700 |
| Capital assets, net | <u>70,676,648</u> |
| Total assets. | <u>110,167,682</u> |
| Liabilities: | |
| Accounts payable. | 183,443 |
| Contracts payable. | 290,438 |
| Accrued wages and benefits | 2,823,015 |
| Pension obligation payable. | 660,690 |
| Intergovernmental payable | 149,757 |
| Unearned revenue | 14,313,082 |
| Accrued interest payable | 203,922 |
| Matured interest payable | 175 |
| Claims payable. | 299,678 |
| Long-term liabilities: | |
| Due within one year. | 2,001,174 |
| Due in more than one year. | 67,540,024 |
| Total liabilities | <u>88,465,398</u> |
| Net Assets: | |
| Invested in capital assets, net of related debt. | 7,489,216 |
| Restricted for: | |
| Capital projects | 272,800 |
| Classroom facilities maintenance | 889,367 |
| Debt service. | 2,737,609 |
| State funded programs. | 22,383 |
| Federally funded programs | 110,190 |
| Student activities | 71,854 |
| Other purposes | 384,760 |
| Unrestricted | <u>9,724,105</u> |
| Total net assets | <u>\$ 21,702,284</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, 2012

| | Expenses | Program Revenues | | Net (Expense) |
|--|----------------------|--------------------------------|------------------------------------|-----------------------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Revenue and Changes in Net Assets |
| | | | | Governmental Activities |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 15,637,136 | \$ 298,250 | \$ 251,895 | \$ (15,086,991) |
| Special | 3,710,163 | 53,750 | 1,556,394 | (2,100,019) |
| Vocational | 413,484 | - | 186,301 | (227,183) |
| Other | 312,101 | - | 160,007 | (152,094) |
| Support services: | | | | |
| Pupil | 1,910,469 | - | 139,148 | (1,771,321) |
| Instructional staff | 1,280,192 | - | 251,516 | (1,028,676) |
| Board of education | 150,839 | - | - | (150,839) |
| Administration | 2,768,846 | - | 202,695 | (2,566,151) |
| Fiscal | 907,327 | - | - | (907,327) |
| Operations and maintenance | 4,033,281 | 69,843 | 11,141 | (3,952,297) |
| Pupil transportation | 2,593,268 | 55,534 | - | (2,537,734) |
| Central | 263,107 | - | 7,200 | (255,907) |
| Operation of non-instructional services: | | | | |
| Other non-instructional services | 216,305 | - | - | (216,305) |
| Food service operations | 1,185,011 | 659,750 | 572,119 | 46,858 |
| Extracurricular activities | 895,730 | 673,614 | 398 | (221,718) |
| Interest and fiscal charges | 3,108,519 | - | - | (3,108,519) |
| Total governmental activities | \$ 39,385,778 | \$ 1,810,741 | \$ 3,338,814 | (34,236,223) |

General Revenues:

| | |
|---|----------------------|
| Property taxes levied for: | |
| General purposes | 14,635,011 |
| Classroom facilities | 147,824 |
| Debt service | 3,608,044 |
| Income taxes levied for: | |
| General purposes | 3,179,827 |
| Payment in lieu of taxes | 244,242 |
| Grants and entitlements not restricted to specific programs | 14,332,282 |
| Investment earnings | 34,728 |
| Miscellaneous | 103,394 |
| Total general revenues | 36,285,352 |
| Change in net assets | 2,049,129 |
| Net assets at beginning of year (restated) | 19,653,155 |
| Net assets at end of year | \$ 21,702,284 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

| | <u>General</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-------------------------|---|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 7,176,635 | \$ 1,525,812 | \$ 3,132,799 | \$ 11,835,246 |
| Cash in segregated accounts | - | 175 | - | 175 |
| Receivables: | | | | |
| Property taxes | 16,920,509 | 4,178,421 | 170,767 | 21,269,697 |
| Income taxes | 1,631,084 | - | - | 1,631,084 |
| Payment in lieu of taxes | 246,400 | - | - | 246,400 |
| Accounts | 32,789 | - | 5,135 | 37,924 |
| Accrued interest | 7,826 | - | - | 7,826 |
| Interfund loans | 224,227 | - | - | 224,227 |
| Intergovernmental. | 189,138 | - | 345,704 | 534,842 |
| Materials and supplies inventory. | - | - | 9,915 | 9,915 |
| Total assets | <u>\$ 26,428,608</u> | <u>\$ 5,704,408</u> | <u>\$ 3,664,320</u> | <u>\$ 35,797,336</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 162,068 | \$ - | \$ 21,375 | \$ 183,443 |
| Contracts payable | - | - | 290,438 | 290,438 |
| Accrued wages and benefits. | 2,634,023 | - | 188,992 | 2,823,015 |
| Compensated absences payable | 31,190 | - | - | 31,190 |
| Pension obligation payable | 628,063 | - | 32,627 | 660,690 |
| Intergovernmental payable | 145,798 | - | 3,959 | 149,757 |
| Interfund loans payable. | - | - | 224,227 | 224,227 |
| Deferred revenue | 1,598,443 | 248,237 | 111,622 | 1,958,302 |
| Unearned revenue. | 11,437,459 | 2,762,702 | 112,921 | 14,313,082 |
| Matured interest payable | - | 175 | - | 175 |
| Total liabilities. | <u>16,637,044</u> | <u>3,011,114</u> | <u>986,161</u> | <u>20,634,319</u> |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Materials and supplies inventory. | - | - | 9,915 | 9,915 |
| Restricted: | | | | |
| Debt service | - | 2,693,294 | - | 2,693,294 |
| Capital improvements | - | - | 1,225,500 | 1,225,500 |
| Classroom facilities maintenance | - | - | 879,222 | 879,222 |
| Food service operations | - | - | 310,894 | 310,894 |
| Non-public schools | - | - | 22,383 | 22,383 |
| Special education | - | - | 11,759 | 11,759 |
| Targeted academic assistance | - | - | 16,318 | 16,318 |
| Extracurricular. | - | - | 71,854 | 71,854 |
| Other purposes. | - | - | 72,166 | 72,166 |
| Committed: | | | | |
| Capital improvements | - | - | 58,148 | 58,148 |
| Assigned: | | | | |
| Student instruction. | 171,763 | - | - | 171,763 |
| Student and staff support | 403,894 | - | - | 403,894 |
| Extracurricular. | 895 | - | - | 895 |
| Subsequent year appropriations | 589,845 | - | - | 589,845 |
| Unassigned | <u>8,625,167</u> | <u>-</u> | <u>-</u> | <u>8,625,167</u> |
| Total fund balances | <u>9,791,564</u> | <u>2,693,294</u> | <u>2,678,159</u> | <u>15,163,017</u> |
| Total liabilities and fund balances | <u>\$ 26,428,608</u> | <u>\$ 5,704,408</u> | <u>\$ 3,664,320</u> | <u>\$ 35,797,336</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

| | | |
|--|--------------|----------------------|
| Total governmental fund balances | | \$ 15,163,017 |
| <i>Amounts reported for governmental activities on the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 70,676,648 |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. | | |
| Property taxes receivable | \$ 1,263,621 | |
| Income taxes receivable | 407,771 | |
| Intergovernmental receivable | 225,129 | |
| Accounts receivable | 58,932 | |
| Accrued interest receivable | 2,849 | |
| Total | | 1,958,302 |
| 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 assets. | | 2,777,955 |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds. | | (203,922) |
| Unamortized premiums on bond and note issuances are not recognized in the funds. | | (4,529,752) |
| Unamortized bond issuance costs are not recognized in the funds. | | 840,292 |
| Unamortized deferred charges on refundings are not recognized in the funds. | | 1,569,086 |
| Long-term liabilities, including bonds, leases and notes payable are not due and payable in the current period and therefore are not reported in the funds. | | |
| Compensated absences payable | (716,358) | |
| General obligation bonds payable | (62,502,315) | |
| Notes payable | (2,184,257) | |
| Lease purchase agreement payable | (1,030,887) | |
| Capital lease obligation payable | (115,525) | |
| Total | | (66,549,342) |
| Net assets of governmental activities | | \$ 21,702,284 |

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, 2012

| | <u>General</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|-------------------------|---|---|
| Revenues: | | | | |
| From local sources: | | | | |
| Property taxes | \$ 14,694,691 | \$ 3,591,513 | \$ 147,934 | \$ 18,434,138 |
| Income taxes. | 3,450,748 | - | - | 3,450,748 |
| Payment in lieu of taxes | 244,242 | - | - | 244,242 |
| Tuition. | 181,788 | - | - | 181,788 |
| Transportation fees. | 55,534 | - | - | 55,534 |
| Earnings on investments | 33,206 | - | 662 | 33,868 |
| Charges for services | - | - | 672,597 | 672,597 |
| Classroom materials and fees | 168,530 | - | - | 168,530 |
| Extracurricular. | 393,809 | - | 282,677 | 676,486 |
| Rental income | 56,996 | - | 1,870 | 58,866 |
| Contributions and donations | 106 | - | 4,900 | 5,006 |
| Other local revenues | 102,177 | 4,042 | 10,758 | 116,977 |
| Intergovernmental - state | 15,075,554 | 456,208 | 369,607 | 15,901,369 |
| Intergovernmental - federal | 49,179 | - | 2,200,768 | 2,249,947 |
| Total revenues | <u>34,506,560</u> | <u>4,051,763</u> | <u>3,691,773</u> | <u>42,250,096</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | 14,241,876 | - | 889,788 | 15,131,664 |
| Special | 3,303,180 | - | 359,571 | 3,662,751 |
| Vocational | 399,043 | - | - | 399,043 |
| Other | 161,596 | - | 153,700 | 315,296 |
| Support services: | | | | |
| Pupil | 1,707,617 | - | 146,064 | 1,853,681 |
| Instructional staff | 1,010,047 | - | 236,500 | 1,246,547 |
| Board of education | 148,401 | - | - | 148,401 |
| Administration | 2,506,227 | - | 214,443 | 2,720,670 |
| Fiscal | 833,893 | 60,866 | 2,182 | 896,941 |
| Operations and maintenance | 3,877,526 | - | 95,847 | 3,973,373 |
| Pupil transportation | 2,515,817 | - | - | 2,515,817 |
| Central | 256,152 | - | 7,200 | 263,352 |
| Operation of non-instructional services: | | | | |
| Other non-instructional services | 219,495 | - | - | 219,495 |
| Food service operations. | - | - | 1,149,568 | 1,149,568 |
| Extracurricular activities | 545,209 | - | 282,112 | 827,321 |
| Facilities acquisition and construction. | - | - | 1,318,446 | 1,318,446 |
| Debt service: | | | | |
| Principal retirement. | 118,978 | 3,870,000 | - | 3,988,978 |
| Interest and fiscal charges | 64,728 | 2,565,549 | - | 2,630,277 |
| Bond and note issuance costs | - | 143,215 | - | 143,215 |
| Total expenditures | <u>31,909,785</u> | <u>6,639,630</u> | <u>4,855,421</u> | <u>43,404,836</u> |
| Excess (deficiency) of revenues over (under) expenditures. | <u>2,596,775</u> | <u>(2,587,867)</u> | <u>(1,163,648)</u> | <u>(1,154,740)</u> |
| Other financing sources (uses): | | | | |
| Premium on bond and notes sold | - | 151,638 | - | 151,638 |
| Sale of bonds. | - | 2,670,000 | - | 2,670,000 |
| Sale of notes | - | - | 2,180,000 | 2,180,000 |
| Transfers in. | - | 34,200 | - | 34,200 |
| Transfers (out) | (34,200) | - | - | (34,200) |
| Total other financing sources (uses). | <u>(34,200)</u> | <u>2,855,838</u> | <u>2,180,000</u> | <u>5,001,638</u> |
| Net change in fund balances | 2,562,575 | 267,971 | 1,016,352 | 3,846,898 |
| Fund balances at beginning of year (restated). | <u>7,228,989</u> | <u>2,425,323</u> | <u>1,661,807</u> | <u>11,316,119</u> |
| Fund balances at end of year. | <u>\$ 9,791,564</u> | <u>\$ 2,693,294</u> | <u>\$ 2,678,159</u> | <u>\$ 15,163,017</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, 2012**

| | | |
|---|--------------|---------------------|
| Net change in fund balances - total governmental funds | | \$ 3,846,898 |
| <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. This is the amount by which capital outlays exceeded depreciation expense in the current period. | | |
| Capital asset additions | \$ 1,542,274 | |
| Current year depreciation | (1,248,008) | |
| Total | | 294,266 |
| 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. | | |
| | | (74,448) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Taxes | (314,180) | |
| Intergovernmental | (498,410) | |
| Other | 54,811 | |
| Earnings on investments | 1,522 | |
| Total | | (756,257) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. | | |
| | | 3,988,978 |
| The issuances of bonds and notes and 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 the long-term liabilities on the statement of net assets. | | |
| | | (4,850,000) |
| 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. | | |
| | | (151,638) |
| Debt issuance costs are recognized as expenditures in the governmental funds; however, they are amortized over the life of the issuance on the statement of activities. | | |
| | | 143,215 |
| 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 | 20,372 | |
| Accreted interest on capital appreciation bonds | (634,572) | |
| Amortization of deferred charges | (127,241) | |
| Amortization of bond premium | 317,380 | |
| Amortization of bond issuance costs | (54,181) | |
| Total | | (478,242) |
| 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. | | |
| | | (243,175) |
| The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among governmental activities. | | |
| | | 329,532 |
| Change in net assets of governmental activities | | \$ 2,049,129 |

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, 2012

| | <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 | \$ 13,423,913 | \$ 12,023,168 | \$ 15,219,377 | \$ 3,196,209 |
| Income taxes | 3,525,062 | 3,157,233 | 3,368,070 | 210,837 |
| Payment in lieu of taxes | 267,961 | 240,000 | 244,242 | 4,242 |
| Tuition | 100,653 | 91,438 | 181,788 | 90,350 |
| Transportation fees | 75,922 | 68,000 | 55,534 | (12,466) |
| Earnings on investments | 22,330 | 20,000 | 33,108 | 13,108 |
| Classroom materials and fees | 19,381 | 166,355 | 166,043 | (312) |
| Extracurricular | 256,796 | 230,000 | 278,944 | 48,944 |
| Rental income | 55,825 | 50,000 | 57,261 | 7,261 |
| Contributions and donations | - | - | 106 | 106 |
| Other local revenues | 67,200 | 62,642 | 80,975 | 18,333 |
| Intergovernmental - state | 16,270,376 | 14,572,616 | 15,075,554 | 502,938 |
| Intergovernmental - federal | 89,320 | 80,000 | 50,724 | (29,276) |
| Total revenue | <u>34,174,739</u> | <u>30,761,452</u> | <u>34,811,726</u> | <u>4,050,274</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 14,923,974 | 15,195,163 | 14,859,284 | 335,879 |
| Special | 3,630,632 | 3,665,362 | 3,476,740 | 188,622 |
| Vocational | 383,576 | 459,436 | 440,431 | 19,005 |
| Other | 181,335 | 181,005 | 179,377 | 1,628 |
| Support services: | | | | |
| Pupil | 2,059,482 | 1,908,607 | 1,804,973 | 103,634 |
| Instructional staff | 1,184,853 | 1,220,256 | 1,137,753 | 82,503 |
| Board of education | 396,878 | 397,179 | 211,620 | 185,559 |
| Administration | 2,708,357 | 2,705,722 | 2,633,166 | 72,556 |
| Fiscal | 1,002,759 | 1,031,225 | 846,177 | 185,048 |
| Operations and maintenance | 4,382,163 | 4,454,015 | 4,275,140 | 178,875 |
| Pupil transportation | 2,717,217 | 2,844,727 | 2,768,752 | 75,975 |
| Central | 327,230 | 287,153 | 276,076 | 11,077 |
| Extracurricular activities | 485,976 | 498,231 | 471,614 | 26,617 |
| Total expenditures | <u>34,384,432</u> | <u>34,848,081</u> | <u>33,381,103</u> | <u>1,466,978</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(209,693)</u> | <u>(4,086,629)</u> | <u>1,430,623</u> | <u>5,517,252</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year expenditure | - | - | 4,458 | 4,458 |
| Refund of prior year receipt | (25,000) | - | - | - |
| Transfers in | 190 | 1,631 | 5,556 | 3,925 |
| Transfers (out) | - | (39,756) | (39,756) | - |
| Advances in | 243,782 | 218,344 | 218,344 | - |
| Advances (out) | (215,878) | (330,923) | (224,227) | 106,696 |
| Contingencies | (100,000) | (17,386) | - | 17,386 |
| Total other financing sources (uses) | <u>(96,906)</u> | <u>(168,090)</u> | <u>(35,625)</u> | <u>132,465</u> |
| Net change in fund balance | (306,599) | (4,254,719) | 1,394,998 | 5,649,717 |
| Fund balance at beginning of year | 3,867,274 | 3,867,274 | 3,867,274 | - |
| Prior year encumbrances appropriated | 1,042,199 | 1,042,199 | 1,042,199 | - |
| Fund balance at end of year | <u>\$ 4,602,874</u> | <u>\$ 654,754</u> | <u>\$ 6,304,471</u> | <u>\$ 5,649,717</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2012

| | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|
| Assets: | |
| Current assets: | |
| Equity in pooled cash and cash equivalents | \$ 192,904 |
| Cash with fiscal agent | <u>2,884,729</u> |
| Total assets. | <u>3,077,633</u> |
| Liabilities: | |
| Current liabilities: | |
| Claims payable | <u>299,678</u> |
| Total liabilities | <u>299,678</u> |
| Net assets: | |
| Unrestricted. | <u>2,777,955</u> |
| Total net assets | <u><u>\$ 2,777,955</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 ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | Governmental Activities - Internal Service Fund |
|---|--|
| Operating revenues: | |
| Charges for services | \$ 4,060,051 |
| Total operating revenues | <u>4,060,051</u> |
| Operating expenses: | |
| Purchased services | 2,906 |
| Claims | 3,727,613 |
| Total operating expenses | <u>3,730,519</u> |
| Operating income/change in net assets. | 329,532 |
| Net assets at beginning of year. | <u>2,448,423</u> |
| Net assets at end of year | <u>\$ 2,777,955</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, 2012

| | <u>Governmental Activities - Internal Service Fund</u> |
|---|---|
| Cash flows from operating activities: | |
| Cash received from charges for services | \$ 4,060,051 |
| Cash payments for contractual services | (2,906) |
| Cash payments for claims | <u>(3,788,406)</u> |
| Net cash provided by operating activities | <u>268,739</u> |
| Net increase in cash and cash equivalents | 268,739 |
| Cash and cash equivalents at beginning of year . . . | <u>2,808,894</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 3,077,633</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 329,532 |
| Changes in assets and liabilities: | |
| Decrease in claims payable | <u>(60,793)</u> |
| Net cash provided by operating activities. | <u><u>\$ 268,739</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2012

| | Agency |
|---|---------------|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 31,895 |
| Total assets. | \$ 31,895 |
| Liabilities: | |
| Due to students. | \$ 31,895 |
| Total liabilities | \$ 31,895 |

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, 2012**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

Average daily membership (ADM) as of October 2012 was 3,627. The District employed 16 full-time administrators and coordinators, 221 full-time certified employees, 129 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 also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental type activity and to its proprietary fund provided it does not conflict with or contradict GASB pronouncements. 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". 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, 2012**

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Council

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

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

South Central Ohio Insurance Consortium

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

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities 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 or resources and payment of general obligation bonds and notes payable.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets 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 all liabilities associated with the operation of the District are included on the statement of net assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is 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 and current liabilities 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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

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

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

D. Basis of Accounting

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

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2012, but which were levied to finance fiscal year 2013 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period, including delinquent property taxes due at June 30, 2012, have also been reported as deferred revenue.

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 2012 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

2. By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer.

The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenues are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2012.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

F. Cash and Investments

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

During fiscal year 2012, the District's investments included federal agency securities, commercial paper and STAR Ohio. Investments are reported at fair value. Fair value is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on June 30, 2012.

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, trust fund and building fund authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$33,206, which includes \$11,618 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 assets, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not. Interest incurred during the construction of capital assets is also capitalized.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

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 | 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 assets.

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, 2012, 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, 2012, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

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

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

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

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

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

M. Estimates

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes primarily include amounts restricted for food service.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are 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. Unamortized Bond Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight line method. Unamortized bond issuance costs are recorded as a separate line item on the statement of net assets.

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

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 13.A.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2012.

R. Parochial Schools

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2012, the District has implemented GASB Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and GASB Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions - an Amendment of GASB Statement No. 53".

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The implementation of GASB Statement No. 57 did not have an effect on the financial statements of the District.

GASB Statement No. 64 clarifies the circumstances in which a hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. The implementation of GASB Statement No. 64 did not have an effect on the financial statements of the District.

B. Fund Reclassification

A fund reclassification is required in order to report the food service fund as a nonmajor special revenue fund rather than an enterprise fund. The fees received by this fund are not designed to cover all costs associated with the operation of the food service program. The fund is largely supported by intergovernmental grants and entitlements and should be reported as a special revenue governmental fund rather than an enterprise fund.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

This fund reclassification had the following effect on the District's governmental fund balances as previously reported:

| | <u>General</u> | <u>Debt Service</u> | <u>Nonmajor Governmental</u> | <u>Total Governmental</u> |
|---------------------------------------|---------------------|-------------------------|----------------------------------|-------------------------------|
| Fund balance as previously reported | \$ 7,228,989 | \$ 2,425,323 | \$ 1,424,902 | \$ 11,079,214 |
| Fund reclassification: | | | | |
| Food service fund | <u>-</u> | <u>-</u> | <u>236,905</u> | <u>236,905</u> |
| Restated fund balance at July 1, 2011 | <u>\$ 7,228,989</u> | <u>\$ 2,425,323</u> | <u>\$ 1,661,807</u> | <u>\$ 11,316,119</u> |

These fund reclassifications had the following effect on the District's governmental activities and business-type activities as previously reported:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|-------------------------------------|------------------------------------|-------------------------------------|
| Net assets as previously reported | \$ 19,329,788 | \$ 323,367 |
| Fund reclassifications: | | |
| Food service fund | 236,905 | (236,905) |
| Capital assets, net | 84,889 | (84,889) |
| Long-term compensated absences | (1,332) | 1,332 |
| Internal balance | <u>2,905</u> | <u>(2,905)</u> |
| Fund reclassification | <u>323,367</u> | <u>(323,367)</u> |
| Restated net assets at July 1, 2011 | <u>\$ 19,653,155</u> | <u>\$ -</u> |

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash with Fiscal Agent

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2012 was \$2,884,729.

B. Cash in Segregated Accounts

At June 30, 2012, \$175 was on deposit in the District's debt service clearance account related to matured interest payable and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the balance sheet and statement of net assets; it is reported on the balance sheet and statement of net assets as "cash in segregated accounts".

C. Deposits with Financial Institutions

At June 30, 2012, the carrying amount of all District deposits was \$7,555,790. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, \$7,390,141 of the District's bank balance of \$7,890,316 was exposed to custodial risk as discussed below, while \$500,175 was covered by the FDIC.

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

D. Investments

As of June 30, 2012, the District had the following investments and maturity:

| <u>Investment type</u> | <u>Fair Value</u> | <u>Investment Maturity</u> 6 months or less |
|-------------------------------|---------------------|---|
| STAR Ohio | \$ 11,362 | \$ 11,362 |
| Federal Home Loan Bank (FHLB) | 998,654 | 998,654 |
| Commercial paper | <u>3,494,414</u> | <u>3,494,414</u> |
| Total | <u>\$ 4,504,430</u> | <u>\$ 4,504,430</u> |

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investment in the FHLB note carries a rating of AA+ by Moodys and Aaa by Standard & Poor's. The investment in commercial paper carries a rating of A1+ by Moodys and P1 by Standard & Poor's. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. 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, 2012:

| <u>Investment type</u> | <u>Fair value</u> | <u>% to total</u> |
|------------------------|---------------------|-------------------|
| STAR Ohio | \$ 11,362 | 0.25 |
| FHLB | 998,654 | 22.17 |
| Commercial paper | <u>3,494,414</u> | <u>77.58</u> |
| Total | <u>\$ 4,504,430</u> | <u>100.00</u> |

E. Reconciliation of Cash and Investment to the Statement of Net Assets

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 assets as of June 30, 2012:

| | |
|---|----------------------|
| <u>Cash and investments per note</u> | |
| Carrying amount of deposits | \$ 7,555,790 |
| Cash with fiscal agent | 2,884,729 |
| Investments | <u>4,504,430</u> |
| Total | <u>\$ 14,944,949</u> |
| <u>Cash and investments per statement of net assets</u> | |
| Governmental activities | \$ 14,913,054 |
| Agency fund | <u>31,895</u> |
| Total | <u>\$ 14,944,949</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2012, as reported on the fund statements consist of the following individual interfund loans receivable and payable:

| <u>Receivable fund</u> | <u>Payable fund</u> | <u>Amount</u> |
|------------------------|--------------------------|---------------|
| General | Nonmajor special revenue | \$ 224,227 |

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 2012 consisted of the following, as reported on the fund statements:

| <u>Transfers from general fund to:</u> | <u>Amount</u> |
|--|---------------|
| Debt service fund | \$ 34,200 |

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 2012 represent the collection of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed values as of January 1, 2011, 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 2012 represent the collection of calendar year 2011 taxes. Public utility real and personal property taxes received in calendar year 2012 became a lien on December 31, 2010, were levied after April 1, 2011, 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, 2012**

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 County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available for advance at June 30, 2012 was \$4,724,211 in the general fund, \$1,167,482 in the debt service fund and \$47,701 in the classroom maintenance special revenue fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2011 was \$5,248,897 in the general fund, \$1,147,088 in the debt service fund and \$50,621 in the classroom maintenance special revenue fund (a nonmajor governmental 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, 2012 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 unearned revenue.

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 deferred.

The assessed values upon which the fiscal year 2012 taxes were collected are:

| | 2011 Second Half Collections | | 2012 First Half Collections | |
|---|---------------------------------|----------------|--------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/residential and other real estate | \$ 418,815,410 | 96.09 | \$ 391,015,940 | 95.86 |
| Public utility personal | 17,015,400 | 3.90 | 16,907,470 | 4.14 |
| Tangible personal property | <u>39,570</u> | <u>0.01</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 435,870,380</u> | <u>100.00</u> | <u>\$ 407,923,410</u> | <u>100.00</u> |
| Tax rate per \$1,000 of assessed valuation | \$78.16 | | \$79.13 | |

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 \$244,242 in payments in lieu of taxes during fiscal year 2012 and a receivable of \$246,400 has been reported on the statement of net assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 8 - INCOME TAX

The District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the state. Taxpayers are required to file an annual return. The state makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue credited to the general fund and as reported on the statement of activities totaled \$3,450,748 and \$3,179,827, respectively, in fiscal year 2012.

NOTE 9 - RECEIVABLES

Receivables at June 30, 2012 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 assets follows:

Governmental activities:

| | |
|--------------------------|---------------|
| Property taxes | \$ 21,269,697 |
| Income taxes | 1,631,084 |
| Payment in lieu of taxes | 246,400 |
| Accounts | 37,924 |
| Intergovernmental | 534,842 |
| Accrued interest | 7,826 |

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.

THIS SPACE IS INTENTIONALLY LEFT BLANK

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 10 - CAPITAL ASSETS

Capital assets of the governmental activities have been restated at June 30, 2011 to include the capital assets of the business-type activities (with a net carrying value of \$84,889) that have been reclassified into governmental activities (see Note 3.B. for detail). Capital asset activity for governmental activities for the fiscal year ended June 30, 2012, was as follows:

| | Restated Balance <u>06/30/11</u> | <u>Additions</u> | <u>Disposals</u> | Balance <u>06/30/12</u> |
|---|--|--------------------|--------------------|----------------------------|
| Governmental activities: | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 3,698,648 | \$ - | \$ - | \$ 3,698,648 |
| Construction in progress | <u>-</u> | <u>1,227,300</u> | <u>-</u> | <u>1,227,300</u> |
| Total capital assets, not being depreciated | <u>3,698,648</u> | <u>1,227,300</u> | <u>-</u> | <u>4,925,948</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 90,951 | | | 90,951 |
| Buildings and improvements | 72,156,736 | 46,531 | (13,928) | 72,189,339 |
| Furniture and equipment | 4,540,117 | 268,443 | (86,985) | 4,721,575 |
| Vehicles | <u>2,499,373</u> | <u>-</u> | <u>-</u> | <u>2,499,373</u> |
| Total capital assets, being depreciated | <u>79,287,177</u> | <u>314,974</u> | <u>(100,913)</u> | <u>79,501,238</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Land improvements | (32,882) | (1,070) | - | (33,952) |
| Buildings | (8,294,568) | (772,377) | 4,527 | (9,062,418) |
| Furniture and equipment | (2,290,706) | (347,980) | 21,938 | (2,616,748) |
| Vehicles | <u>(1,910,839)</u> | <u>(126,581)</u> | <u>-</u> | <u>(2,037,420)</u> |
| Total accumulated depreciation | <u>(12,528,995)</u> | <u>(1,248,008)</u> | <u>26,465</u> | <u>(13,750,538)</u> |
| Governmental activities capital assets, net | <u>\$ 70,456,830</u> | <u>\$ 294,266</u> | <u>\$ (74,448)</u> | <u>\$ 70,676,648</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|---------------------|
| <u>Instruction:</u> | |
| Regular | \$ 526,280 |
| Special | 88,368 |
| Vocational | 19,860 |
| <u>Support services:</u> | |
| Pupil | 40,855 |
| Instructional staff | 48,633 |
| Board of education | 2,767 |
| Administration | 115,589 |
| Fiscal | 8,144 |
| Operations and maintenance | 123,585 |
| Pupil transportation | 161,028 |
| Central | 5,640 |
| Food service operations | 30,494 |
| Extracurricular activities | <u>76,765</u> |
| Total depreciation expense | <u>\$ 1,248,008</u> |

NOTE 11 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior fiscal years, the District entered into capitalized leases for copier equipment. The lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds.

Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and in the budgetary statements. At June 30, 2012, the capital assets acquired by the capital lease obligations outstanding at fiscal year-end have been capitalized in the amount of \$364,394, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2012 was \$262,240, leaving a current book value of \$102,154.

A corresponding liability is recorded in the statement of net assets. Principal and interest payments in fiscal year 2012 totaled \$72,641 and \$12,445, 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, 2012

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, 2012:

| <u>Fiscal Year Ending June 30,</u> | <u>Copiers</u> |
|------------------------------------|-------------------|
| 2013 | \$ 61,363 |
| 2014 | 39,434 |
| 2015 | 23,188 |
| 2016 | <u>5,797</u> |
| Total minimum lease payments | 129,782 |
| Less: amount representing interest | <u>(14,257)</u> |
| Total | <u>\$ 115,525</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. This lease meets the criteria of a lease-purchase as defined by FASB Statement No. 13, "Accounting for Leases", 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, 2012, 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, 2012 was \$53,527 leaving a current book value of \$1,019,644. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2012 totaled \$46,337 and \$52,283, 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, 2012.

| <u>Fiscal Year Ending June 30,</u> | <u>Total</u> |
|---|---------------------|
| 2013 | \$ 98,620 |
| 2014 | 98,620 |
| 2015 | 98,620 |
| 2016 | 98,620 |
| 2017 | 98,620 |
| 2018 - 2022 | 493,100 |
| 2023 - 2027 | <u>468,449</u> |
| Total minimum lease payments | 1,454,649 |
| Less: amount representing interest | <u>(423,762)</u> |
| Present value of minimum lease payments | <u>\$ 1,030,887</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - LONG-TERM OBLIGATIONS

- A. Long-term obligations of the governmental activities have been restated at June 30, 2011 to include the compensated absences of the business-type activities that have been reclassified into governmental activities (see Note 3.B. for detail). The District's long-term obligations activity during fiscal year 2012 consisted of the following:

| | Restated Balance <u>06/30/11</u> | <u>Additions</u> | <u>Reductions</u> | Balance <u>06/30/12</u> | Amounts Due in <u>One Year</u> |
|---|--|---------------------|-----------------------|----------------------------|--------------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 60,402,000 | \$ 3,300,315 | \$ (1,200,000) | \$ 62,502,315 | \$ 1,560,000 |
| Energy conservation notes | - | 2,184,257 | - | 2,184,257 | 125,000 |
| School facilities construction and improvement notes | 2,670,000 | - | (2,670,000) | - | - |
| Lease purchase agreement | 1,077,224 | - | (46,337) | 1,030,887 | 48,686 |
| Capital lease obligation | 188,166 | - | (72,641) | 115,525 | 53,205 |
| Compensated absences | <u>489,098</u> | <u>454,341</u> | <u>(195,891)</u> | <u>747,548</u> | <u>214,283</u> |
| Total long-term obligations, governmental activities | <u>\$ 64,826,488</u> | <u>\$ 5,938,913</u> | <u>\$ (4,184,869)</u> | <u>66,580,532</u> | <u>\$ 2,001,174</u> |
| Less: Unamortized deferred charge on refunding | | | | (1,569,086) | |
| Add: Unamortized premium on refunding | | | | <u>4,529,752</u> | |
| Total on the statement of net assets | | | | <u>\$ 69,541,198</u> | |

B. General Obligation Bonds

The District has seven outstanding general obligation bond issues at June 30, 2012. 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 assets. 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, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2012:

| | Balance 06/30/11 | Additions | Reductions | Balance 06/30/12 |
|--|----------------------|---------------------|-----------------------|----------------------|
| General obligation bonds: | | | | |
| Series 1998B - current interest bonds | \$ 2,260,000 | \$ - | \$ (580,000) | \$ 1,680,000 |
| Series 2000 - current interest bonds | 850,000 | - | (5,000) | 845,000 |
| Series 2001 - current interest bonds | 140,000 | - | (140,000) | - |
| Series 2001 - capital appreciation bonds | 338,363 | - | - | 338,363 |
| Series 2001 - accreted interest | 1,004,815 | 147,371 | - | 1,152,186 |
| | <u>1,483,178</u> | <u>147,371</u> | <u>(140,000)</u> | <u>1,490,549</u> |
| Series 2005-A - refunding current interest bonds | 3,125,000 | - | (315,000) | 2,810,000 |
| Series 2005-A - refunding capital appreciation bonds | 255,000 | - | - | 255,000 |
| Series 2005-A - accreted interest | 218,880 | 60,809 | - | 279,689 |
| | <u>3,598,880</u> | <u>60,809</u> | <u>(315,000)</u> | <u>3,344,689</u> |
| Series 2005-B - refunding and school facilities construction current interest bonds | 5,505,000 | - | (10,000) | 5,495,000 |
| Series 2005-B - refunding capital appreciation bonds | 3,600,000 | - | - | 3,600,000 |
| Series 2005-B - accreted interest | 1,931,784 | 404,833 | - | 2,336,617 |
| | <u>11,036,784</u> | <u>404,833</u> | <u>(10,000)</u> | <u>11,431,617</u> |
| Series 2007 - refunding current interest bonds | 41,145,000 | - | (150,000) | 40,995,000 |
| Series 2007 - refunding capital appreciation bonds | 4,983 | - | - | 4,983 |
| Series 2007 - accreted interest | 23,175 | 14,451 | - | 37,626 |
| | <u>41,173,158</u> | <u>14,451</u> | <u>(150,000)</u> | <u>41,037,609</u> |
| Series 2011 - current interest serial bonds | - | 525,000 | - | 525,000 |
| Series 2011 - current interest term bonds | - | 2,095,000 | - | 2,095,000 |
| Series 2011 - capital appreciation bonds | - | 50,000 | - | 50,000 |
| Series 2011 - accreted interest | - | 2,851 | - | 2,851 |
| | <u>-</u> | <u>2,672,851</u> | <u>-</u> | <u>2,672,851</u> |
| Total general obligation bonds payable | <u>\$ 60,402,000</u> | <u>\$ 3,300,315</u> | <u>\$ (1,200,000)</u> | <u>\$ 62,502,315</u> |

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Series 1998-B General Obligation Bonds

On April 1, 1998, the District issued current interest general obligation bonds to finance the construction and equipping of a new elementary school and improving the site thereof. The issue is made up of current interest bonds, bears an interest rate of 5.300% and matures on December 1, 2025. On April 14, 2005, the District issued \$3,055,000 (Series 2005A Refunding Bonds) to advance refund the callable portion of the bonds. On March 27, 2007, the District advance refunded an additional \$7,150,000 (Series 2007 Refunding Bonds) of the callable portion of the bonds. At June 30, 2012, the balance of the Series 1998-B General Obligation Bonds is \$1,680,000. The balance of the refunded bonds at June 30, 2012, is \$6,365,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

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% and matures on June 1, 2028. The bonds have an outstanding balance of \$845,000 at June 30, 2012.

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 assets. The balance of the refunded bonds at June 30, 2012, is \$7,310,000.

At June 30, 2012, the non-refunded portion of this issue is comprised of capital appreciation bonds, par value \$338,363. The capital appreciation bonds mature on December 1, 2013 (stated interest 10.646%), December 1, 2014 (stated interest 10.847%), December 1, 2015 (stated interest 11.025%), December 1, 2016 (stated interest 11.185%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$2,070,000. A total of \$1,152,186 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2012.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2028.

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 assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

At June 30, 2012, the refunding issue is comprised of both current interest bonds, par value \$2,810,000, and capital appreciation bonds, par value \$255,000. The interest rate on the current interest bonds ranges from 3.00-5.00%. The capital appreciation bonds mature December 1, 2013 (stated interest 32.820%) and December 1, 2019 (stated interest 8.214%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$825,000. Total accreted interest of \$279,689 has been included in the statement of net assets.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2016.

The reacquisition price exceeded the net carrying amount of the old debt by \$297,874. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2005-B School Facilities Construction and Advance Refunding Bonds

On May 1, 2005, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 2001 General Obligation Bonds (principal \$5,710,000; interest rate 5.010%) and to finance the construction and equipping of new school facilities, constructing additions and renovations of existing school facilities, and acquiring land with the \$32,500,000 new money issue. The issuance proceeds of \$5,710,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets. 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, 2012 is \$28,675,000.

At June 30, 2012, the non-refunded portion of the debt issue is comprised of both current interest bonds, par value \$5,495,000, and capital appreciation bonds, par value \$3,600,000. The interest rate on the current interest bonds ranges from 3.00%-5.00%. The capital appreciation bonds mature December 1, 2021 (stated interest 11.049%), December 1, 2029 (stated interest 6.942%), December 1, 2030 (stated interest 6.946%), December 1, 2031 (stated interest 6.939%), December 1, 2032 (stated interest 6.950%), December 1, 2033 (stated interest 6.915%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$21,250,000. Total accreted interest of \$2,336,617 has been included in the statement of activities.

The reacquisition price exceeded the net carrying amount of the old debt by \$604,734. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Series 2007 Advance Refunding Bonds

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

At June 30, 2012, the debt issue is comprised of both current interest bonds, par value \$40,995,000, and a capital appreciation bond, par value \$4,983. The interest rate on the current interest bonds ranges from 4.00%-5.25%. The capital appreciation bond matures December 1, 2022 (approximate initial offering yield at maturity of 4.30%), at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$3,300,000. Total accreted interest of \$37,626 has been included in the statement of activities.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,445,025. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2011 School Facilities Construction and Improvement General Obligation Bonds

On November 9, 2011, the District issued \$2,670,000 in general obligation bonds to finance the School Facilities Construction and Improvement Notes that matured on November 17, 2011, on a long-term basis. The debt issue is comprised of current interest serial bonds (par value \$525,000), current interest term bonds (par value \$2,095,000) and capital appreciation bonds (par value \$50,000). The interest rate on the current interest serial bonds is 2.00% and the interest rate on the current interest term bonds ranges from 3.50%-4.20%. The capital appreciation bonds mature December 1, 2017 (approximate initial offering yield at maturity of 3.00%) and December 1, 2018 (approximate initial offering yield at maturity of 3.30%), at a redemption price equal to 100% 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 \$2,851 has been included in the statement of activities.

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% 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
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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 |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

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 |
| 2013 | \$ 1,560,000 | \$ 2,464,431 | \$ 4,024,431 | \$ - | \$ - | \$ - |
| 2014 | 1,290,000 | 2,392,899 | 3,682,899 | 77,475 | 412,525 | 490,000 |
| 2015 | 1,280,000 | 2,330,905 | 3,610,905 | 331,045 | 813,955 | 1,145,000 |
| 2016 | 1,370,000 | 2,271,761 | 3,641,761 | 91,153 | 488,847 | 580,000 |
| 2017 | 1,575,000 | 2,202,005 | 3,777,005 | 93,690 | 586,310 | 680,000 |
| 2018 - 2022 | 14,955,000 | 9,279,260 | 24,234,260 | 310,000 | 1,325,000 | 1,635,000 |
| 2023 - 2027 | 21,935,000 | 5,144,165 | 27,079,165 | 4,983 | 3,295,017 | 3,300,000 |
| 2028 - 2032 | 9,490,000 | 713,527 | 10,203,527 | 2,135,000 | 9,730,000 | 11,865,000 |
| 2033 - 2037 | 675,000 | 138,531 | 813,531 | 1,205,000 | 6,705,000 | 7,910,000 |
| 2038 - 2039 | 315,000 | 13,335 | 328,335 | - | - | - |
| Total | \$ 54,445,000 | \$ 26,950,819 | \$ 81,395,819 | \$ 4,248,346 | \$ 23,356,654 | \$ 27,605,000 |

C. Energy Conservation Notes

The following is a summary of the District's energy conservation notes outstanding at June 30, 2012:

| | Balance 06/30/11 | Additions | Reductions | Balance 06/30/12 |
|-----------------------------------|---------------------|---------------------|-------------|---------------------|
| Energy Conservation Notes: | | | | |
| Current interest serial notes | \$ - | \$ 1,250,000 | \$ - | \$ 1,250,000 |
| Current interest term notes | | 850,000 | | 850,000 |
| Capital appreciation notes | - | 80,000 | - | 80,000 |
| Accreted interest | - | 4,257 | - | 4,257 |
| Total | \$ - | \$ 2,184,257 | \$ - | \$ 2,184,257 |

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% and the interest rate on the current interest term notes ranges from 3.50%-3.35%. The capital appreciation notes mature December 1, 2018 (approximate initial offering yield at maturity of 3.00%) at a redemption price equal to 100% 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 \$4,257 has been included in the statement of activities.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The current interest term notes are subject to mandatory sinking fund redemption at a redemption price of 100% 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 |

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

| <u>Year Ended</u> | <u>Current Interest Serial/Term Notes</u> | | | <u>Capital Appreciation Notes</u> | | |
|-------------------|---|-----------------|--------------|-----------------------------------|-----------------|--------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2013 | \$ 125,000 | \$ 59,700 | \$ 184,700 | \$ - | \$ - | \$ - |
| 2014 | 130,000 | 57,150 | 187,150 | - | - | - |
| 2015 | 130,000 | 54,550 | 184,550 | - | - | - |
| 2016 | 135,000 | 51,900 | 186,900 | - | - | - |
| 2017 | 140,000 | 48,800 | 188,800 | - | - | - |
| 2018 - 2022 | 590,000 | 200,406 | 790,406 | 80,000 | 60,000 | 140,000 |
| 2023 - 2027 | 850,000 | 73,353 | 923,353 | - | - | - |
| Total | \$ 2,100,000 | \$ 545,859 | \$ 2,645,859 | \$ 80,000 | \$ 60,000 | \$ 140,000 |

At June 30, 2012, the District had \$952,700 in unspent proceeds remaining on the note issuance.

D. Other Long-Term Obligations

Compensated absences

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

Capital lease obligation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

Lease purchase agreement

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

School facilities construction and improvement notes

On November 18, 2010, the District issued \$2,670,000 in notes payable to finance various District building improvements. The notes matured on November 17, 2011 with an interest rate of 1.60 percent. The notes were retired on November 17, 2011 with the proceeds of the \$2,670,000 in general obligation bonds issued on November 9, 2011.

E. Legal Debt Margin

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

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% limit to finance additional facilities, the State Department of Education may declare that district a "special needs" district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The Canal Winchester Local School District was determined to be a "special needs" district by the State Superintendent on October 14, 2004.

NOTE 14 - COMPENSATED ABSENCES

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 14 - COMPENSATED ABSENCES - (Continued)

The classified personnel accumulate vacation based on the following schedule:

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

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

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

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

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

NOTE 15 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to the employees and natural disasters. During fiscal year 2012, the District has contracted with commercial carriers for property and general liability insurance.

The District maintains replacement cost insurance on buildings and contents of \$103,480,968. General liability insurance is maintained in the amount of \$6,000,000 for each occurrence and \$6,000,000 in the aggregate. The District maintains fleet insurance in the amount of \$6,000,000 for any one accident or loss and \$6,000,000 in the aggregate.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 15 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

For fiscal year 2012, the District participated in the SchoolComp Group Retrospective Rating Program (Group Retro). The intent of the Group Retro is to reward participants that are able to keep their individual claim costs below a predetermined amount. The District continues to pay their individual premium; however, the District will have the opportunity to receive retrospective premium adjustments (refunds or assessments) at the end of the three evaluation periods. The group's retrospective premium will be calculated at 12, 24, and 36 months after the end of the policy year. At the end of each period, the Bureau of Workers Comp (BWC) will take a snap-shot 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.

C. Health Insurance

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

SCOIC members participate in the shared risk pool through OME-RESA for individual claims from \$50,000 to \$400,000. SCOIC members are then covered under stop loss coverage for claims over \$400,000. OME-RESA contracts with Employees Benefits Management Corporation to service the claims of SCOIC members. In the event that the District would withdraw from SCOIC, the District would be required to give 180 day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share any surplus funds of SCOIC. In the event SCOIC members would withdraw from OME-RESA, the SCOIC members would be required to give a 30 day notice, be responsible for all run-out claims, and have no rights to share in any surplus funds of OME-RESA.

A summary of changes in self-insurance claims for the fiscal years ended June 30, 2012 and June 30, 2011:

| | <u>2012</u> | <u>2011</u> |
|--|--------------------|--------------------|
| Claim Liabilities at Beginning of Year | \$ 360,471 | \$ 302,828 |
| Incurred Claims | 3,727,613 | 3,980,593 |
| Claims Paid | <u>(3,788,406)</u> | <u>(3,922,950)</u> |
| Claim Liabilities at End of year | <u>\$ 299,678</u> | <u>\$ 360,471</u> |

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 15 - RISK MANAGEMENT - (Continued)

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

NOTE 16 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$552,666, \$509,493 and \$515,373, respectively; 80.48 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

B. State Teachers Retirement System of Ohio

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 16 - 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. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2012, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$1,917,062, \$2,061,140 and \$1,940,039, respectively; 82.21 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$89,117 made by the District and \$63,655 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2012, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 17 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 (latest information available) was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2012, 0.55 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2012, the actuarially determined amount was \$35,800.

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$89,408, \$126,013 and \$94,332, respectively; 80.48 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$32,638, \$32,787 and \$30,648, respectively; 80.48 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$147,466, \$158,549 and \$149,234, respectively; 82.21 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

| | <u>General fund</u> |
|---|---------------------|
| Budget basis | \$ 1,394,998 |
| Net adjustment for revenue accruals | (421,527) |
| Net adjustment for expenditure accruals | 1,057,511 |
| Net adjustment for other sources/uses | 1,425 |
| Funds budgeted elsewhere * | (175,432) |
| Adjustment for encumbrances | 705,600 |
| GAAP basis | <u>\$ 2,562,575</u> |

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

NOTE 19 - CONTINGENCIES

A. Grants and ADM

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. 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, 2012, 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 20 - SET-ASIDES

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

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

| | <u>Capital Improvements</u> |
|---|---------------------------------|
| Set-aside balance June 30, 2011 | \$ - |
| Current year set-aside requirement | 614,795 |
| Current year qualifying expenditures | (729,450) |
| Current year offsets | <u>(223,717)</u> |
| Total | <u>\$ (338,372)</u> |
| Balance carried forward to fiscal year 2013 | <u>\$ -</u> |
| Set-aside balance June 30, 2012 | <u>\$ -</u> |

NOTE 21 - OTHER COMMITMENTS

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

| | <u>Year-End Encumbrances</u> |
|--------------------|----------------------------------|
| <u>Fund</u> | |
| General fund | \$ 535,886 |
| Other governmental | <u>998,704</u> |
| Total | <u>\$ 1,534,590</u> |

NOTE 22 - CONTRACTUAL COMMITMENTS

At June 30, 2012, the District had contractual commitments outstanding related to an energy conservation project. The District contracted with Limbach Co., LLC in the amount of \$2,183,611, of which \$1,227,300 was paid through June 30, 2012.

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

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, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------------|----------------------------|----------------------------|----------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Bond Retirement | | | | |
| Total Revenues and Other Sources | \$ 6,552,254 | \$ 6,737,203 | \$ 6,887,207 | \$ 150,004 |
| Total Expenditures and Other Uses | <u>6,402,014</u> | <u>6,650,265</u> | <u>6,639,630</u> | <u>10,635</u> |
| Net Change in Fund Balances | 150,240 | 86,938 | 247,577 | 160,639 |
| Fund Balance at Beginning of Year | <u>1,278,235</u> | <u>1,278,235</u> | <u>1,278,235</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 1,428,475</u></u> | <u><u>\$ 1,365,173</u></u> | <u><u>\$ 1,525,812</u></u> | <u><u>\$ 160,639</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.

Educational Management Information System (EMIS) Fund

A fund provided to account for state funds provided to assist the district in implementing a staff, student and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

Data Communication Fund

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

Education Jobs Fund

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

Race to the Top Fund

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

IDEA, Part B Fund

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

Title II-D Technology Fund

To account for Federal stimulus funds that provides the District with funding for classroom technology resources and professional development on technology integration.

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

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

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.

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 funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Public School Support Fund

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

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund

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

Building Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 1,558,713 | \$ 1,574,086 | \$ 3,132,799 |
| Receivables: | | | |
| Property taxes | 170,767 | - | 170,767 |
| Accounts | 5,135 | - | 5,135 |
| Intergovernmental | 345,704 | - | 345,704 |
| Materials and supplies inventory | 9,915 | - | 9,915 |
| Total assets | \$ 2,090,234 | \$ 1,574,086 | \$ 3,664,320 |
| Liabilities: | | | |
| Accounts payable | \$ 21,375 | \$ - | \$ 21,375 |
| Contracts payable | - | 290,438 | 290,438 |
| Accrued wages and benefits | 188,992 | - | 188,992 |
| Pension obligation payable | 32,627 | - | 32,627 |
| Intergovernmental payable | 3,959 | - | 3,959 |
| Interfund loan payable | 224,227 | - | 224,227 |
| Deferred revenue | 111,622 | - | 111,622 |
| Unearned revenue | 112,921 | - | 112,921 |
| Total liabilities | 695,723 | 290,438 | 986,161 |
| Fund balances: | | | |
| Nonspendable: | | | |
| Materials and supplies inventory | 9,915 | - | 9,915 |
| Restricted: | | | |
| Capital improvements | - | 1,225,500 | 1,225,500 |
| Classroom facilities maintenance | 879,222 | - | 879,222 |
| Food service operations | 310,894 | - | 310,894 |
| Non-public schools | 22,383 | - | 22,383 |
| Special education | 11,759 | - | 11,759 |
| Targeted academic assistance | 16,318 | - | 16,318 |
| Extracurricular | 71,854 | - | 71,854 |
| Other purposes | 72,166 | - | 72,166 |
| Committed: | | | |
| Capital improvements | - | 58,148 | 58,148 |
| Total fund balances | 1,394,511 | 1,283,648 | 2,678,159 |
| | \$ 2,090,234 | \$ 1,574,086 | \$ 3,664,320 |

**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, 2012

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Revenues: | | | |
| From local sources: | | | |
| Property taxes | \$ 147,934 | \$ - | \$ 147,934 |
| Earnings on investments | 662 | - | 662 |
| Charges for services | 672,597 | - | 672,597 |
| Extracurricular | 282,677 | - | 282,677 |
| Rental income | 1,870 | - | 1,870 |
| Contributions and donations | 4,900 | - | 4,900 |
| Other local revenues | 10,758 | - | 10,758 |
| Intergovernmental - state | 369,607 | - | 369,607 |
| Intergovernmental - federal | 2,200,768 | - | 2,200,768 |
| Total revenues | 3,691,773 | - | 3,691,773 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 889,788 | - | 889,788 |
| Special | 359,571 | - | 359,571 |
| Other | 153,700 | - | 153,700 |
| Support services: | | | |
| Pupil | 146,064 | - | 146,064 |
| Instructional staff | 236,500 | - | 236,500 |
| Administration | 214,443 | - | 214,443 |
| Fiscal | 2,182 | - | 2,182 |
| Operations and maintenance | 49,808 | 46,039 | 95,847 |
| Central | 7,200 | - | 7,200 |
| Operation of non-instructional services: | | | |
| Food service operations | 1,149,568 | - | 1,149,568 |
| Extracurricular activities | 282,112 | - | 282,112 |
| Facilities acquisition and construction | - | 1,318,446 | 1,318,446 |
| Total expenditures | 3,490,936 | 1,364,485 | 4,855,421 |
| Excess (deficiency) of revenues over (under) expenditures | 200,837 | (1,364,485) | (1,163,648) |
| Other financing sources: | | | |
| Sales of notes | - | 2,180,000 | 2,180,000 |
| Total other financing sources | - | 2,180,000 | 2,180,000 |
| Net change in fund balances | 200,837 | 815,515 | 1,016,352 |
| Fund balances at beginning of year (restated) | 1,193,674 | 468,133 | 1,661,807 |
| Fund balances at end of year | \$ 1,394,511 | \$ 1,283,648 | \$ 2,678,159 |

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

| | <u>Food Service</u> | <u>Special Trust</u> | <u>Endowment</u> | <u>Other Grants</u> |
|--|-------------------------|--------------------------|------------------|-------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 356,034 | \$ 13,033 | \$ 5,088 | \$ 52,111 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Accounts | 2,037 | - | - | - |
| Intergovernmental | - | - | - | - |
| Materials and supplies inventory | 9,915 | - | - | - |
| Total assets | <u>\$ 367,986</u> | <u>\$ 13,033</u> | <u>\$ 5,088</u> | <u>\$ 52,111</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 20,409 | \$ - | \$ - | \$ - |
| Accrued wages and benefits | 9,493 | - | - | - |
| Pension obligation payable | 16,982 | - | - | - |
| Intergovernmental payable | 293 | - | - | - |
| Interfund loan payable | - | - | - | - |
| Deferred revenue | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Total liabilities | <u>47,177</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Materials and supplies inventory | 9,915 | - | - | - |
| Restricted: | | | | |
| Classroom facilities maintenance | - | - | - | - |
| Food service operations | 310,894 | - | - | - |
| Non-public schools | - | - | - | - |
| Special education | - | - | - | - |
| Targeted academic assistance | - | - | - | - |
| Extracurricular | - | - | - | - |
| Other purposes | - | 13,033 | 5,088 | 52,111 |
| Total fund balances | <u>320,809</u> | <u>13,033</u> | <u>5,088</u> | <u>52,111</u> |
| Total liabilities and fund balances | <u>\$ 367,986</u> | <u>\$ 13,033</u> | <u>\$ 5,088</u> | <u>\$ 52,111</u> |

| Classroom Facilities Maintenance | District Managed Student Activities | Auxiliary Services | Education Jobs | Race to the Top | IDEA, Part B |
|---|--|-------------------------------|---------------------------|----------------------------|-------------------------|
| \$ 831,521 | \$ 69,722 | \$ 45,499 | \$ - | \$ 1,006 | \$ 60,421 |
| 170,767 | - | - | - | - | - |
| - | 3,098 | - | - | - | - |
| - | - | - | 107,661 | 19,672 | 106,696 |
| - | - | - | - | - | - |
| <u>\$ 1,002,288</u> | <u>\$ 72,820</u> | <u>\$ 45,499</u> | <u>\$ 107,661</u> | <u>\$ 20,678</u> | <u>\$ 167,117</u> |
| \$ - | \$ 966 | \$ - | \$ - | \$ - | \$ - |
| - | - | 19,405 | 101,805 | - | 36,455 |
| - | - | 2,850 | - | - | 8,019 |
| - | - | 861 | - | 209 | 1,556 |
| - | - | - | 5,856 | - | 106,696 |
| 10,145 | - | - | - | 19,672 | 2,632 |
| 112,921 | - | - | - | - | - |
| <u>123,066</u> | <u>966</u> | <u>23,116</u> | <u>107,661</u> | <u>19,881</u> | <u>155,358</u> |
| - | - | - | - | - | - |
| 879,222 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 22,383 | - | - | - |
| - | - | - | - | - | 11,759 |
| - | - | - | - | - | - |
| - | 71,854 | - | - | - | - |
| - | - | - | - | 797 | - |
| <u>879,222</u> | <u>71,854</u> | <u>22,383</u> | <u>-</u> | <u>797</u> | <u>11,759</u> |
| <u>\$ 1,002,288</u> | <u>\$ 72,820</u> | <u>\$ 45,499</u> | <u>\$ 107,661</u> | <u>\$ 20,678</u> | <u>\$ 167,117</u> |

-- (Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2012

| | Title I School Improvement | Limited English Proficiency | Title I Disadvantaged Children | IDEA Preschool - Handicapped |
|--|---|--|---|---|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 15,351 | \$ 17,512 | \$ 86,866 | \$ 1,413 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Accounts | - | - | - | - |
| Intergovernmental | 7,446 | 17,154 | 82,526 | 1,413 |
| Materials and supplies inventory | - | - | - | - |
| Total assets | <u>\$ 22,797</u> | <u>\$ 34,666</u> | <u>\$ 169,392</u> | <u>\$ 2,826</u> |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Accrued wages and benefits | - | - | 21,834 | - |
| Pension obligation payable | 1,088 | - | 3,688 | - |
| Intergovernmental payable | 212 | - | 828 | - |
| Interfund loan payable | 7,446 | 17,154 | 82,526 | 1,413 |
| Deferred revenue | 6,957 | 16,375 | 51,292 | 1,413 |
| Unearned revenue | - | - | - | - |
| Total liabilities | <u>15,703</u> | <u>33,529</u> | <u>160,168</u> | <u>2,826</u> |
| Fund balances: | | | | |
| Nonspendable: | | | | |
| Materials and supplies inventory | - | - | - | - |
| Restricted: | | | | |
| Classroom facilities maintenance | - | - | - | - |
| Food service operations | - | - | - | - |
| Non-public schools | - | - | - | - |
| Special education | - | - | - | - |
| Targeted academic assistance | 7,094 | - | 9,224 | - |
| Extracurricular | - | - | - | - |
| Other purposes | - | 1,137 | - | - |
| Total fund balances | <u>7,094</u> | <u>1,137</u> | <u>9,224</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 22,797</u> | <u>\$ 34,666</u> | <u>\$ 169,392</u> | <u>\$ 2,826</u> |

| Improving Teacher Quality | Total Nonmajor Special Revenue Funds |
|--|---|
| \$ 3,136 | \$ 1,558,713 |
| - | 170,767 |
| - | 5,135 |
| 3,136 | 345,704 |
| - | 9,915 |
| <u>\$ 6,272</u> | <u>\$ 2,090,234</u> |
| | |
| \$ - | \$ 21,375 |
| - | 188,992 |
| - | 32,627 |
| - | 3,959 |
| 3,136 | 224,227 |
| 3,136 | 111,622 |
| - | 112,921 |
| <u>6,272</u> | <u>695,723</u> |
| | |
| - | 9,915 |
| - | 879,222 |
| - | 310,894 |
| - | 22,383 |
| - | 11,759 |
| - | 16,318 |
| - | 71,854 |
| - | 72,166 |
| <u>-</u> | <u>1,394,511</u> |
| <u>\$ 6,272</u> | <u>\$ 2,090,234</u> |

**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, 2012

| | <u>Food Service</u> | <u>Special Trust</u> | <u>Endowment</u> | <u>Other Grants</u> |
|--|-------------------------|--------------------------|------------------|-------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments | 504 | 20 | 8 | - |
| Charges for services | 672,597 | - | - | - |
| Extracurricular | - | - | - | - |
| Rental income | - | - | - | 1,870 |
| Contributions and donations | - | 4,500 | - | - |
| Other local revenues | 10,758 | - | - | - |
| Intergovernmental - state | 10,853 | - | - | 47,185 |
| Intergovernmental - federal | 561,145 | - | - | - |
| Total revenues | <u>1,255,857</u> | <u>4,520</u> | <u>8</u> | <u>49,055</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | 4,000 | - | 1,800 |
| Special | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | - | - | - | - |
| Administration | - | - | - | - |
| Fiscal | - | - | - | - |
| Operations and maintenance | 22,385 | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | 1,149,568 | - | - | - |
| Extracurricular activities | - | - | - | - |
| Total expenditures | <u>1,171,953</u> | <u>4,000</u> | <u>-</u> | <u>1,800</u> |
| Net change in fund balances | 83,904 | 520 | 8 | 47,255 |
| Fund balances at beginning of year (restated) | 236,905 | 12,513 | 5,080 | 4,856 |
| Fund balances at end of year | <u>\$ 320,809</u> | <u>\$ 13,033</u> | <u>\$ 5,088</u> | <u>\$ 52,111</u> |

| <u>Classroom Facilities Maintenance</u> | <u>District Managed Student Activities</u> | <u>Auxiliary Services</u> | <u>Data Communication</u> | <u>Education Jobs</u> | <u>Race to the Top</u> |
|---|--|-------------------------------|-------------------------------|---------------------------|----------------------------|
| \$ 147,934 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 130 | - | - | - |
| - | - | - | - | - | - |
| - | 282,677 | - | - | - | - |
| - | - | - | - | - | - |
| - | 400 | - | - | - | - |
| - | - | - | - | - | - |
| 26,824 | - | 277,545 | 7,200 | - | - |
| - | - | - | - | 696,517 | 26,967 |
| <u>174,758</u> | <u>283,077</u> | <u>277,675</u> | <u>7,200</u> | <u>696,517</u> | <u>26,967</u> |
| 11,876 | 1,696 | 94,570 | - | 696,517 | 2,364 |
| - | - | 100,146 | - | - | - |
| - | - | - | - | - | - |
| - | - | 95,793 | - | - | - |
| - | - | - | - | - | 26,766 |
| - | - | - | - | - | - |
| 2,182 | - | - | - | - | - |
| 27,423 | - | - | - | - | - |
| - | - | - | 7,200 | - | - |
| - | - | - | - | - | - |
| - | 282,112 | - | - | - | - |
| <u>41,481</u> | <u>283,808</u> | <u>290,509</u> | <u>7,200</u> | <u>696,517</u> | <u>29,130</u> |
| 133,277 | (731) | (12,834) | - | - | (2,163) |
| 745,945 | 72,585 | 35,217 | - | - | 2,960 |
| <u>\$ 879,222</u> | <u>\$ 71,854</u> | <u>\$ 22,383</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 797</u> |

-- (Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | <u>IDEA, Part B</u> | <u>Title II-D Technology</u> | <u>Title I School Improvement</u> | <u>Limited English Proficiency</u> |
|--|-------------------------|----------------------------------|---|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Property taxes. | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments. | - | - | - | - |
| Charges for services | - | - | - | - |
| Extracurricular | - | - | - | - |
| Rental income. | - | - | - | - |
| Contributions and donations. | - | - | - | - |
| Other local revenues. | - | - | - | - |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal. | 592,886 | 2,631 | 48,043 | 5,946 |
| Total revenues | <u>592,886</u> | <u>2,631</u> | <u>48,043</u> | <u>5,946</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | - | 1,726 | 16,899 | 4,270 |
| Special | 255,182 | - | - | 416 |
| Other. | - | - | 24,050 | - |
| Support services: | | | | |
| Pupil | 50,242 | - | - | 29 |
| Instructional staff | 107,544 | 1,152 | - | 1,480 |
| Administration | 214,443 | - | - | - |
| Fiscal | - | - | - | - |
| Operations and maintenance. | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Total expenditures | <u>627,411</u> | <u>2,878</u> | <u>40,949</u> | <u>6,195</u> |
| Net change in fund balances | (34,525) | (247) | 7,094 | (249) |
| Fund balances at beginning of year (restated) | 46,284 | 247 | - | 1,386 |
| Fund balances at end of year | <u>\$ 11,759</u> | <u>\$ -</u> | <u>\$ 7,094</u> | <u>\$ 1,137</u> |

| Title I Disadvantaged Children | IDEA Preschool - Handicapped | Improving Teacher Quality | Total Nonmajor Special Revenue Funds |
|---|---|--|---|
| \$ - | \$ - | \$ - | \$ 147,934 |
| - | - | - | 662 |
| - | - | - | 672,597 |
| - | - | - | 282,677 |
| - | - | - | 1,870 |
| - | - | - | 4,900 |
| - | - | - | 10,758 |
| - | - | - | 369,607 |
| 224,964 | 3,827 | 37,842 | 2,200,768 |
| <u>224,964</u> | <u>3,827</u> | <u>37,842</u> | <u>3,691,773</u> |
| 54,070 | - | - | 889,788 |
| - | 3,827 | - | 359,571 |
| 129,650 | - | - | 153,700 |
| - | - | - | 146,064 |
| 59,467 | - | 40,091 | 236,500 |
| - | - | - | 214,443 |
| - | - | - | 2,182 |
| - | - | - | 49,808 |
| - | - | - | 7,200 |
| - | - | - | 1,149,568 |
| - | - | - | 282,112 |
| <u>243,187</u> | <u>3,827</u> | <u>40,091</u> | <u>3,490,936</u> |
| (18,223) | - | (2,249) | 200,837 |
| 27,447 | - | 2,249 | 1,193,674 |
| <u>\$ 9,224</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,394,511</u> |

**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, 2012

| | <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 | \$ 1,269,475 | \$ 1,269,475 | \$ 1,179,988 | \$ (89,487) |
| Total Expenditures and Other Uses | <u>1,292,478</u> | <u>1,292,478</u> | <u>1,099,106</u> | <u>193,372</u> |
| Net Change in Fund Balance | (23,003) | (23,003) | 80,882 | 103,885 |
| Fund Balance at Beginning of Year | 151,557 | 151,557 | 151,557 | - |
| Prior Year Encumbrances Appropriated | <u>98,801</u> | <u>98,801</u> | <u>98,801</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 227,355</u> | <u>\$ 227,355</u> | <u>\$ 331,240</u> | <u>\$ 103,885</u> |
| Special Trust | | | | |
| Total Revenues and Other Sources | \$ 3,500 | \$ 4,520 | \$ 4,520 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>4,500</u> | <u>4,000</u> | <u>500</u> |
| Net Change in Fund Balance | 3,500 | 20 | 520 | 500 |
| Fund Balance at Beginning of Year | <u>12,513</u> | <u>12,513</u> | <u>12,513</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 16,013</u> | <u>\$ 12,533</u> | <u>\$ 13,033</u> | <u>\$ 500</u> |
| Endowment | | | | |
| Total Revenues and Other Sources | \$ 10 | \$ 8 | \$ 8 | \$ - |
| Total Expenditures and Other Uses | <u>80</u> | <u>80</u> | <u>-</u> | <u>80</u> |
| Net Change in Fund Balance | (70) | (72) | 8 | 80 |
| Fund Balance at Beginning of Year | <u>5,080</u> | <u>5,080</u> | <u>5,080</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 5,010</u> | <u>\$ 5,008</u> | <u>\$ 5,088</u> | <u>\$ 80</u> |
| Other Grants | | | | |
| Total Revenues and Other Sources | \$ 10,000 | \$ 52,981 | \$ 52,981 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>45,000</u> | <u>5,125</u> | <u>39,875</u> |
| Net Change in Fund Balance | 10,000 | 7,981 | 47,856 | 39,875 |
| Fund Balance at Beginning of Year | <u>930</u> | <u>930</u> | <u>930</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 10,930</u> | <u>\$ 8,911</u> | <u>\$ 48,786</u> | <u>\$ 39,875</u> |

**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, 2012

| | <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 Revenues and Other Sources | \$ 171,657 | \$ 171,657 | \$ 177,678 | \$ 6,021 |
| Total Expenditures and Other Uses | 839,876 | 439,876 | 41,481 | 398,395 |
| Net Change in Fund Balance | (668,219) | (268,219) | 136,197 | 404,416 |
| Fund Balance at Beginning of Year | 683,448 | 683,448 | 683,448 | - |
| Prior Year Encumbrances Appropriated | 11,876 | 11,876 | 11,876 | - |
| Fund Balance at End of Year | <u>\$ 27,105</u> | <u>\$ 427,105</u> | <u>\$ 831,521</u> | <u>\$ 404,416</u> |
| District Managed Student Activities | | | | |
| Total Revenues and Other Sources | \$ 350,000 | \$ 281,154 | \$ 280,491 | \$ (663) |
| Total Expenditures and Other Uses | 113,228 | 355,343 | 297,429 | 57,914 |
| Net Change in Fund Balance | 236,772 | (74,189) | (16,938) | 57,251 |
| Fund Balance at Beginning of Year | 59,582 | 59,582 | 59,582 | - |
| Prior Year Encumbrances Appropriated | 16,079 | 16,079 | 16,079 | - |
| Fund Balance at End of Year | <u>\$ 312,433</u> | <u>\$ 1,472</u> | <u>\$ 58,723</u> | <u>\$ 57,251</u> |
| Auxiliary Services | | | | |
| Total Revenues and Other Sources | \$ 400,000 | \$ 288,257 | \$ 288,257 | \$ - |
| Total Expenditures and Other Uses | 465,686 | 453,943 | 411,035 | 42,908 |
| Net Change in Fund Balance | (65,686) | (165,686) | (122,778) | 42,908 |
| Fund Balance at Beginning of Year | 31,594 | 31,594 | 31,594 | - |
| Prior Year Encumbrances Appropriated | 134,092 | 134,092 | 134,092 | - |
| Fund Balance at End of Year | <u>\$ 100,000</u> | <u>\$ -</u> | <u>\$ 42,908</u> | <u>\$ 42,908</u> |
| EMIS | | | | |
| Total Revenues and Other Sources | \$ 5,000 | \$ - | \$ - | \$ - |
| Total Expenditures and Other Uses | 2,848 | - | - | - |
| Net Change in Fund Balance | 2,152 | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ 2,152</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**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, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|--------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Data Communication | | | | |
| Total Revenues and Other Sources | \$ 10,000 | \$ 7,200 | \$ 7,200 | \$ - |
| Total Expenditures and Other Uses | - | 7,200 | 7,200 | - |
| Net Change in Fund Balance | 10,000 | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ 10,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Education Jobs | | | | |
| Total Revenues and Other Sources | \$ 678,310 | \$ 696,516 | \$ 594,712 | \$ (101,804) |
| Total Expenditures and Other Uses | 678,310 | 696,516 | 594,712 | 101,804 |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Race to the Top | | | | |
| Total Revenues and Other Sources | \$ 46,638 | \$ 49,858 | \$ 30,186 | \$ (19,672) |
| Total Expenditures and Other Uses | 49,857 | 53,077 | 32,609 | 20,468 |
| Net Change in Fund Balances | (3,219) | (3,219) | (2,423) | 796 |
| Fund Balance at Beginning of Year | 3,219 | 3,219 | 3,219 | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 796</u> | <u>\$ 796</u> |
| IDEA, Part B | | | | |
| Total Revenues and Other Sources | \$ 712,970 | \$ 719,354 | \$ 719,354 | \$ - |
| Total Expenditures and Other Uses | 749,913 | 906,634 | 847,990 | 58,644 |
| Net Change in Fund Balances | (36,943) | (187,280) | (128,636) | 58,644 |
| Fund Balance at Beginning of Year | 148,954 | 148,954 | 148,954 | - |
| Prior Year Encumbrances Appropriated | 38,326 | 38,326 | 38,326 | - |
| Fund Balance at End of Year | <u>\$ 150,337</u> | <u>\$ -</u> | <u>\$ 58,644</u> | <u>\$ 58,644</u> |

**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, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---------------------------------------|-------------------------|--------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Title II-D Technology | | | | |
| Total Revenues and Other Sources | \$ 686 | \$ 2,877 | \$ 2,877 | \$ - |
| Total Expenditures and Other Uses | 933 | 3,810 | 3,810 | - |
| Net Change in Fund Balance | (247) | (933) | (933) | - |
| Fund Balance at Beginning of Year | 933 | 933 | 933 | - |
| Fund Balance at End of Year | <u>\$ 686</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Title I School Improvement | | | | |
| Total Revenues and Other Sources | \$ - | \$ 55,000 | \$ 55,000 | \$ - |
| Total Expenditures and Other Uses | - | 55,000 | 39,905 | 15,095 |
| Net Change in Fund Balance | - | - | 15,095 | 15,095 |
| Fund Balance at Beginning of Year | - | - | - | - |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 15,095</u> | <u>\$ 15,095</u> |
| Limited English Proficiency | | | | |
| Total Revenues and Other Sources | \$ 28,235 | \$ 28,384 | \$ 28,384 | \$ - |
| Total Expenditures and Other Uses | 23,727 | 31,335 | 14,960 | 16,375 |
| Net Change in Fund Balances | 4,508 | (2,951) | 13,424 | 16,375 |
| Fund Balance at Beginning of Year | 1,482 | 1,482 | 1,482 | - |
| Prior Year Encumbrances Appropriated | 1,469 | 1,469 | 1,469 | - |
| Fund Balance at End of Year | <u>\$ 7,459</u> | <u>\$ -</u> | <u>\$ 16,375</u> | <u>\$ 16,375</u> |
| Title I Disadvantaged Children | | | | |
| Total Revenues and Other Sources | \$ 339,688 | \$ 337,230 | \$ 337,230 | \$ - |
| Total Expenditures and Other Uses | 359,767 | 414,705 | 340,956 | 73,749 |
| Net Change in Fund Balances | (20,079) | (77,475) | (3,726) | 73,749 |
| Fund Balance at Beginning of Year | 48,497 | 48,497 | 48,497 | - |
| Prior Year Encumbrances Appropriated | 28,978 | 28,978 | 28,978 | - |
| Fund Balance at End of Year | <u>\$ 57,396</u> | <u>\$ -</u> | <u>\$ 73,749</u> | <u>\$ 73,749</u> |

**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, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|--------------------------|------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| IDEA Preschool - Handicapped | | | | |
| Total Revenues and Other Sources | \$ 5,240 | \$ 5,240 | \$ 5,240 | \$ - |
| Total Expenditures and Other Uses | <u>5,240</u> | <u>5,240</u> | <u>3,827</u> | <u>1,413</u> |
| Net Change in Fund Balance | - | - | 1,413 | 1,413 |
| Fund Balance at Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,413</u></u> | <u><u>\$ 1,413</u></u> |
| Improving Teacher Quality | | | | |
| Total Revenues and Other Sources | \$ 41,167 | \$ 42,469 | \$ 42,469 | \$ - |
| Total Expenditures and Other Uses | <u>42,657</u> | <u>43,959</u> | <u>41,582</u> | <u>2,377</u> |
| Net Change in Fund Balance | (1,490) | (1,490) | 887 | 2,377 |
| Fund Balance at Beginning of Year | 1,490 | 1,490 | 1,490 | - |
| Prior Year Encumbrances Appropriated | <u>759</u> | <u>759</u> | <u>759</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 759</u></u> | <u><u>\$ 759</u></u> | <u><u>\$ 3,136</u></u> | <u><u>\$ 2,377</u></u> |
| Public School Support | | | | |
| Total Revenues and Other Sources | \$ 200,000 | \$ 116,415 | \$ 116,013 | \$ (402) |
| Total Expenditures and Other Uses | <u>66,990</u> | <u>150,792</u> | <u>116,258</u> | <u>34,534</u> |
| Net Change in Fund Balances | 133,010 | (34,377) | (245) | 34,132 |
| Fund Balance at Beginning of Year | 33,738 | 33,738 | 33,738 | - |
| Prior Year Encumbrances Appropriated | <u>1,040</u> | <u>1,040</u> | <u>1,040</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 167,788</u></u> | <u><u>\$ 401</u></u> | <u><u>\$ 34,533</u></u> | <u><u>\$ 34,132</u></u> |
| Permanent Improvement | | | | |
| Total Expenditures and Other Uses | \$ 413,008 | \$ 413,008 | \$ 91,146 | \$ 321,862 |
| Net Change in Fund Balances | (413,008) | (413,008) | (91,146) | 321,862 |
| Fund Balance at Beginning of Year | <u>422,094</u> | <u>422,094</u> | <u>422,094</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 9,086</u></u> | <u><u>\$ 9,086</u></u> | <u><u>\$ 330,948</u></u> | <u><u>\$ 321,862</u></u> |

**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, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Building | | | | |
| Total Revenues and Other Sources | \$ - | \$ 2,036,785 | \$ 2,036,785 | \$ - |
| Total Expenditures and Other Uses | <u>46,039</u> | <u>2,086,435</u> | <u>2,086,435</u> | <u>-</u> |
| Net Change in Fund Balance | (46,039) | (49,650) | (49,650) | - |
| Prior Year Encumbrances Appropriated | <u>46,039</u> | <u>46,039</u> | <u>46,039</u> | <u>-</u> |
| Fund Balance (Deficit) at End of Year | <u>\$ -</u> | <u>\$ (3,611)</u> | <u>\$ (3,611)</u> | <u>\$ -</u> |

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|----------------------------------|---------------------|--|
| Assets: | | | |
| Equity in pooled cash and cash equivalents. | \$ 330,948 | \$ 1,243,138 | \$ 1,574,086 |
| Total assets. | <u>\$ 330,948</u> | <u>\$ 1,243,138</u> | <u>\$ 1,574,086</u> |
| Liabilities: | | | |
| Contracts payable. | \$ - | \$ 290,438 | \$ 290,438 |
| Total liabilities. | <u>-</u> | <u>290,438</u> | <u>290,438</u> |
| Fund balances: | | | |
| Restricted: | | | |
| Capital improvements | 272,800 | 952,700 | 1,225,500 |
| Committed: | | | |
| Capital improvements | <u>58,148</u> | <u>-</u> | <u>58,148</u> |
| Total fund balances | <u>330,948</u> | <u>952,700</u> | <u>1,283,648</u> |
| Total liabilities and fund balances. | <u>\$ 330,948</u> | <u>\$ 1,243,138</u> | <u>\$ 1,574,086</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|----------------------------------|--------------------|--|
| Expenditures: | | | |
| Current: | | | |
| Support services: | | | |
| Operations and maintenance | \$ - | \$ 46,039 | \$ 46,039 |
| Facilities acquisition and construction | 91,146 | 1,227,300 | 1,318,446 |
| Total expenditures | <u>91,146</u> | <u>1,273,339</u> | <u>1,364,485</u> |
| Excess of expenditures over revenues | <u>(91,146)</u> | <u>(1,273,339)</u> | <u>(1,364,485)</u> |
| Other financing sources: | | | |
| Sales of notes | - | 2,180,000 | 2,180,000 |
| Total other financing sources | <u>-</u> | <u>2,180,000</u> | <u>2,180,000</u> |
| Net change in fund balances | (91,146) | 906,661 | 815,515 |
| Fund balances at beginning of year | 422,094 | 46,039 | 468,133 |
| Fund balances at end of year | <u>\$ 330,948</u> | <u>\$ 952,700</u> | <u>\$ 1,283,648</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, 2012

| | <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 | \$ 4,405,000 | \$ 4,405,000 | \$ 4,060,051 | \$ (344,949) |
| Total Expenses and Nonoperating Expenses | <u>4,165,624</u> | <u>4,058,486</u> | <u>4,057,306</u> | <u>1,180</u> |
| Net Change in Fund Balance | 239,376 | 346,514 | 2,745 | (343,769) |
| Fund Balance at Beginning of Year | <u>190,159</u> | <u>190,159</u> | <u>190,159</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 429,535</u> | <u>\$ 536,673</u> | <u>\$ 192,904</u> | <u>\$ (343,769)</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, 2012

| | Beginning Balance <u>July 1, 2011</u> | <u>Additions</u> | <u>Deletions</u> | Ending Balance <u>June 30, 2012</u> |
|--|--|-------------------------|-------------------------|--|
| Student Activity | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 37,486 | \$ 50,250 | \$ 55,841 | \$ 31,895 |
| Total assets | <u>\$ 37,486</u> | <u>\$ 50,250</u> | <u>\$ 55,841</u> | <u>\$ 31,895</u> |
| Liabilities: | | | | |
| Due to students | \$ 37,486 | \$ 50,250 | \$ 55,841 | \$ 31,895 |
| Total liabilities. | <u>\$ 37,486</u> | <u>\$ 50,250</u> | <u>\$ 55,841</u> | <u>\$ 31,895</u> |

THIS PAGE IS INTENTIONALLY LEFT BLANK



STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

**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. | 100-113 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | 114-119 |
| 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. | 120-124 |
| 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. | 125-126 |
| 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. | 128-139 |

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

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

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

| | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 7,489,216 | \$ 6,298,927 | \$ 5,650,573 | \$ 5,298,003 |
| Restricted | 4,488,963 | 4,511,058 | 4,434,011 | 4,590,798 |
| Unrestricted (deficit) | 9,724,105 | 8,843,170 | 6,561,256 | 4,056,500 |
| Total governmental activities net assets | <u>\$ 21,702,284</u> | <u>\$ 19,653,155</u> | <u>\$ 16,645,840</u> | <u>\$ 13,945,301</u> |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | \$ - | \$ - | \$ 102,815 | \$ 115,250 |
| Unrestricted (deficit) | - | - | 97,606 | 16,651 |
| Total business-type activities net assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 200,421</u> | <u>\$ 131,901</u> |
| Primary government | | | | |
| Invested in capital assets, net of related debt | \$ 7,489,216 | \$ 6,298,927 | \$ 5,753,388 | \$ 5,413,253 |
| Restricted | 4,488,963 | 4,511,058 | 4,434,011 | 4,590,798 |
| Unrestricted (deficit) | 9,724,105 | 8,843,170 | 6,658,862 | 4,073,151 |
| Total primary government net assets | <u>\$ 21,702,284</u> | <u>\$ 19,653,155</u> | <u>\$ 16,846,261</u> | <u>\$ 14,077,202</u> |

Source: School District financial records.

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

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 6,026,176 | \$ 4,775,378 | \$ 10,098,353 | \$ 8,963,598 | \$ 9,737,739 | \$ 9,526,399 |
| 4,416,107 | 5,870,893 | 4,594,310 | 4,874,151 | 597,954 | 312,223 |
| 4,165,521 | 4,082,981 | (7,055) | 903,524 | 3,400,953 | 3,779,440 |
| <u>\$ 14,607,804</u> | <u>\$ 14,729,252</u> | <u>\$ 14,685,608</u> | <u>\$ 14,741,273</u> | <u>\$ 13,736,646</u> | <u>\$ 13,618,062</u> |
| | | | | | |
| \$ 127,684 | \$ 140,118 | \$ 152,552 | \$ 168,326 | \$ 145,085 | \$ 158,369 |
| (1,531) | (4,834) | (4,865) | (8,192) | 23,350 | (29) |
| <u>\$ 126,153</u> | <u>\$ 135,284</u> | <u>\$ 147,687</u> | <u>\$ 160,134</u> | <u>\$ 168,435</u> | <u>\$ 158,340</u> |
| | | | | | |
| \$ 6,153,860 | \$ 4,915,496 | \$ 10,250,905 | \$ 9,131,924 | \$ 9,882,824 | \$ 9,684,768 |
| 4,416,107 | 5,870,893 | 4,594,310 | 4,874,151 | 597,954 | 312,223 |
| 4,163,990 | 4,078,147 | (11,920) | 895,332 | 3,424,303 | 3,779,411 |
| <u>\$ 14,733,957</u> | <u>\$ 14,864,536</u> | <u>\$ 14,833,295</u> | <u>\$ 14,901,407</u> | <u>\$ 13,905,081</u> | <u>\$ 13,776,402</u> |

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

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

| Expenses | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 15,637,136 | \$ 16,452,249 | \$ 15,278,518 | \$ 14,640,159 |
| Special | 3,710,163 | 4,023,824 | 3,800,772 | 4,350,332 |
| Vocational | 413,484 | 475,595 | 626,461 | 715,563 |
| Other instructional | 312,101 | 410,222 | 1,064 | 69,882 |
| Support services: | | | | |
| Pupil | 1,910,469 | 2,156,770 | 2,051,878 | 1,656,026 |
| Instructional staff | 1,280,192 | 1,766,319 | 1,800,144 | 1,348,514 |
| Board of education | 150,839 | 170,357 | 368,594 | 340,736 |
| Administration | 2,768,846 | 2,902,533 | 2,716,355 | 2,590,566 |
| Fiscal | 907,327 | 933,943 | 795,708 | 720,482 |
| Operations and maintenance | 4,033,281 | 4,439,809 | 3,932,395 | 3,713,631 |
| Pupil transportation | 2,593,268 | 2,643,485 | 2,406,878 | 2,138,885 |
| Central | 263,107 | 366,207 | 214,195 | 204,754 |
| Community services | - | - | - | - |
| Operation of non-instructional services | 216,305 | 18,912 | 18,912 | 18,912 |
| Food service operations | 1,185,011 | 1,143,055 | - | - |
| Extracurricular activities | 895,730 | 1,009,434 | 929,787 | 977,461 |
| Interest and fiscal charges | 3,108,519 | 3,036,205 | 3,045,818 | 3,021,730 |
| Total governmental activities expenses | <u>39,385,778</u> | <u>41,948,919</u> | <u>37,987,479</u> | <u>36,507,633</u> |
| Business-type activities: | | | | |
| Food service | - | - | 1,202,060 | 1,199,332 |
| Total business-type activities expenses | <u>-</u> | <u>-</u> | <u>1,202,060</u> | <u>1,199,332</u> |
| Total primary government expenses | <u>\$ 39,385,778</u> | <u>\$ 41,948,919</u> | <u>\$ 39,189,539</u> | <u>\$ 37,706,965</u> |

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$ | 14,094,895 | \$ 13,283,902 | \$ 12,715,496 | \$ 10,392,296 | \$ 10,249,023 | \$ 9,694,665 |
| | 3,829,334 | 3,436,158 | 2,997,339 | 2,482,555 | 2,378,335 | 1,838,115 |
| | 677,326 | 757,157 | 754,739 | 543,558 | 653,501 | 586,192 |
| | 29,262 | - | 9,022 | 245 | - | - |
| | 1,634,654 | 1,754,234 | 1,496,898 | 1,287,506 | 932,198 | 868,348 |
| | 1,427,339 | 1,542,238 | 1,312,801 | 1,081,519 | 1,295,641 | 1,093,434 |
| | 438,621 | 368,549 | 56,227 | 322,761 | 504,061 | 547,871 |
| | 2,594,498 | 2,602,420 | 2,089,593 | 1,957,134 | 1,954,977 | 1,683,892 |
| | 780,005 | 685,035 | 684,915 | 549,882 | 639,375 | 576,379 |
| | 2,505,978 | 3,107,452 | 2,695,034 | 2,670,485 | 2,324,584 | 2,452,629 |
| | 2,174,086 | 2,564,378 | 2,177,511 | 1,549,372 | 1,539,348 | 1,612,330 |
| | 212,299 | 193,501 | 316,936 | 294,257 | 140,795 | 141,985 |
| | - | - | - | - | 16,739 | 14,488 |
| | 16,492 | 14,478 | 14,478 | 14,478 | 399,265 | 973,458 |
| | - | - | - | - | - | - |
| | 1,082,402 | 1,003,199 | 907,432 | 873,926 | 868,206 | 806,983 |
| | 3,146,362 | 2,597,257 | 3,359,091 | 1,821,515 | 1,648,809 | 1,684,199 |
| | <u>34,643,553</u> | <u>33,909,958</u> | <u>31,587,512</u> | <u>25,841,489</u> | <u>25,544,857</u> | <u>24,574,968</u> |
| | <u>1,012,678</u> | <u>847,783</u> | <u>835,618</u> | <u>789,019</u> | <u>691,821</u> | <u>719,757</u> |
| | <u>1,012,678</u> | <u>847,783</u> | <u>835,618</u> | <u>789,019</u> | <u>691,821</u> | <u>719,757</u> |
| \$ | <u><u>35,656,231</u></u> | <u><u>34,757,741</u></u> | <u><u>32,423,130</u></u> | <u><u>26,630,508</u></u> | <u><u>26,236,678</u></u> | <u><u>25,294,725</u></u> |

-- Continued

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

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

| | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|---|------------------------|------------------------|------------------------|------------------------|
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | \$ 298,250 | \$ 297,258 | \$ 304,546 | \$ 291,211 |
| Special | 53,750 | 28,158 | 40,721 | 8,950 |
| Support services: | | | | |
| Administration | - | - | - | - |
| Operations and maintenance | 69,843 | 67,623 | 68,405 | 106,409 |
| Pupil transportation | 55,534 | 85,064 | - | - |
| Operation of non-instructional services | - | - | - | - |
| Food service operations | 659,750 | 725,065 | - | - |
| Extracurricular activities | 673,614 | 582,815 | 530,235 | 543,283 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 251,895 | 1,479,421 | 639,182 | 281,592 |
| Special | 1,556,394 | 1,779,573 | 1,124,515 | 1,635,585 |
| Vocational | 186,301 | 186,301 | 184,914 | 183,504 |
| Other instructional | 160,007 | 182,456 | - | 46,971 |
| Support services: | | | | |
| Pupil | 139,148 | 195,216 | 247,860 | 430,040 |
| Instructional staff | 251,516 | 362,842 | 356,372 | 203,567 |
| Administration | 202,695 | 652,679 | 525,559 | 16,571 |
| Fiscal | - | 12,314 | 30,317 | - |
| Operations and maintenance | 11,141 | - | - | - |
| Pupil transportation | - | - | - | 5,599 |
| Central | 7,200 | 14,100 | 9,145 | 12,000 |
| Operation of non-instructional services | - | - | - | - |
| Food service operations | 572,119 | 540,936 | - | - |
| Extracurricular activities | 398 | 7,100 | 34,081 | 17,971 |
| Capital grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | - | - | - | - |
| Support services: | | | | |
| Pupil transportation | - | - | - | 27,039 |
| Total governmental program revenues | <u>5,149,555</u> | <u>7,198,921</u> | <u>4,095,852</u> | <u>3,810,292</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Food service | - | - | 742,323 | 762,792 |
| Operating grants and contributions | - | - | 528,128 | 441,850 |
| Total business-type activities program revenues | <u>-</u> | <u>-</u> | <u>1,270,451</u> | <u>1,204,642</u> |
| Total primary government program revenue | <u>\$ 5,149,555</u> | <u>\$ 7,198,921</u> | <u>\$ 5,366,303</u> | <u>\$ 5,014,934</u> |
| Net (Expense)/Revenue | | | | |
| Governmental activities | \$ (34,236,223) | \$ (34,749,998) | \$ (33,891,627) | \$ (32,697,341) |
| Business-type activities | - | - | 68,391 | 5,310 |
| Total primary government net expense | <u>\$ (34,236,223)</u> | <u>\$ (34,749,998)</u> | <u>\$ (33,823,236)</u> | <u>\$ (32,692,031)</u> |

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | 407,765 | \$ 304,761 | \$ 270,865 | \$ 229,280 | \$ 45,850 | \$ 31,000 |
| | 12,885 | - | - | - | - | - |
| | - | - | - | - | 153,944 | 335,663 |
| | 46,556 | 35,842 | 42,440 | - | - | - |
| | - | 58,978 | 93,547 | 86,474 | 55,549 | 50,663 |
| | - | - | - | 46,524 | - | - |
| | 553,764 | 475,891 | 447,150 | 465,170 | 563,840 | 487,994 |
| | 110,480 | 154,905 | 301,193 | 289,764 | 491,967 | 675,355 |
| | 1,381,966 | 1,250,221 | 378,036 | 385,596 | 448,514 | 64,396 |
| | 158,830 | 144,108 | - | 987 | - | - |
| | 51,721 | - | 8,983 | - | - | - |
| | 337,389 | 556,164 | 462,209 | 356,576 | - | - |
| | 265,619 | 351,403 | 215,143 | 123,955 | 92,603 | 81,977 |
| | 101,641 | 86,001 | 61,727 | 54,004 | - | - |
| | 15,420 | 12,864 | 9,926 | 14,607 | 9,406 | - |
| | - | - | - | - | - | - |
| | - | 82,159 | - | - | - | - |
| | 12,000 | 15,000 | 15,000 | 15,000 | 15,000 | 17,500 |
| | - | - | - | - | - | 28,500 |
| | - | - | - | - | - | - |
| | 31,502 | 30,151 | - | - | - | - |
| | 203,326 | 17,794 | 1,100,256 | 21,210 | - | - |
| | 14,127 | 19,741 | - | - | - | - |
| | <u>3,704,991</u> | <u>3,595,983</u> | <u>3,406,475</u> | <u>2,089,147</u> | <u>1,876,673</u> | <u>1,773,048</u> |
| | 664,450 | 556,975 | 536,729 | 499,046 | 500,679 | 484,032 |
| | 335,993 | 270,912 | 268,127 | 244,338 | 144,127 | 199,181 |
| | <u>1,000,443</u> | <u>827,887</u> | <u>804,856</u> | <u>743,384</u> | <u>644,806</u> | <u>683,213</u> |
| | <u>\$ 4,705,434</u> | <u>\$ 4,423,870</u> | <u>\$ 4,211,331</u> | <u>\$ 2,832,531</u> | <u>\$ 2,521,479</u> | <u>\$ 2,456,261</u> |
| \$ | (30,938,562) | \$ (30,313,975) | \$ (28,181,037) | \$ (23,752,342) | \$ (23,668,184) | \$ (22,801,920) |
| | (12,235) | (19,896) | (30,762) | (45,635) | (47,015) | (36,544) |
| \$ | <u>(30,950,797)</u> | <u>(30,333,871)</u> | <u>(28,211,799)</u> | <u>(23,797,977)</u> | <u>(23,715,199)</u> | <u>(22,838,464)</u> |

-- Continued

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

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

| | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 14,635,011 | \$ 15,252,942 | \$ 14,625,495 | \$ 10,272,099 |
| Facilities maintenance | 147,824 | 147,371 | 154,578 | 156,073 |
| Debt service | 3,608,044 | 3,350,737 | 3,363,747 | 3,609,054 |
| Income taxes levied for: | | | | |
| General purposes | 3,179,827 | 3,911,298 | 2,968,716 | 3,096,276 |
| Payment in lieu of taxes | 244,242 | 454,264 | - | - |
| Grants and entitlements not restricted to specific programs | 14,332,282 | 14,318,122 | 15,169,153 | 14,556,809 |
| Investment earnings | 34,728 | 28,396 | 49,898 | 233,004 |
| Miscellaneous | 103,394 | 93,762 | 260,579 | 111,523 |
| Gain on sale of capital assets | - | - | - | - |
| Transfers | - | - | - | - |
| Total governmental activities | <u>36,285,352</u> | <u>37,556,892</u> | <u>36,592,166</u> | <u>32,034,838</u> |
| Special Item: | | | | |
| Loss on sale of capital assets | - | - | - | - |
| Total special item | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total governmental activities and special item | <u>36,285,352</u> | <u>37,556,892</u> | <u>36,592,166</u> | <u>32,034,838</u> |
| Business-type activities: | | | | |
| Investment earnings | - | - | 129 | 438 |
| Miscellaneous | - | - | - | - |
| Transfers | - | - | - | - |
| Total business-type activities | <u>-</u> | <u>-</u> | <u>129</u> | <u>438</u> |
| Total primary government | <u>\$ 36,285,352</u> | <u>\$ 37,556,892</u> | <u>\$ 36,592,295</u> | <u>\$ 32,035,276</u> |
| Change in Net Assets | | | | |
| Governmental activities | \$ 2,049,129 | \$ 2,806,894 | \$ 2,700,539 | \$ (662,503) |
| Business-type activities | - | - | 68,520 | 5,748 |
| Total primary government | <u>\$ 2,049,129</u> | <u>\$ 2,806,894</u> | <u>\$ 2,769,059</u> | <u>\$ (656,755)</u> |

Source: School District financial records.

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

| | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| \$ | 10,189,506 | \$ 10,532,539 | \$ 10,119,284 | \$ 10,295,135 | \$ 11,687,797 | \$ 8,490,690 |
| | 149,322 | 158,746 | 148,806 | 139,588 | - | - |
| | 2,804,515 | 2,934,747 | 2,689,404 | 2,278,872 | 2,369,953 | 1,941,984 |
| | 3,197,358 | 3,225,064 | 2,604,518 | 2,352,160 | - | 2,084,580 |
| | - | - | - | - | - | - |
| | 13,641,537 | 12,059,326 | 12,245,191 | 10,893,799 | 9,526,850 | 8,014,383 |
| | 671,207 | 1,580,717 | 587,664 | 327,817 | 61,836 | 165,762 |
| | 163,669 | 198,472 | 148,622 | 319,028 | 197,442 | 202,836 |
| | - | - | - | - | - | 6,527 |
| | - | (11,140) | (10,060) | - | (57,110) | (5,242) |
| | <u>30,817,114</u> | <u>30,678,471</u> | <u>28,533,429</u> | <u>26,606,399</u> | <u>23,786,768</u> | <u>20,901,520</u> |
| | - | - | (408,057) | - | - | - |
| | - | - | (408,057) | - | - | - |
| | <u>30,817,114</u> | <u>30,678,471</u> | <u>28,125,372</u> | <u>26,606,399</u> | <u>23,786,768</u> | <u>20,901,520</u> |
| | 3,104 | 836 | 2,094 | 134 | - | - |
| | - | - | 6,161 | - | - | - |
| | - | 11,140 | 10,060 | - | 57,110 | 5,242 |
| | <u>3,104</u> | <u>11,976</u> | <u>18,315</u> | <u>134</u> | <u>57,110</u> | <u>5,242</u> |
| \$ | <u>30,820,218</u> | <u>30,690,447</u> | <u>28,143,687</u> | <u>26,606,533</u> | <u>23,843,878</u> | <u>20,906,762</u> |
| \$ | (121,448) | \$ 364,496 | \$ (55,665) | \$ 2,854,057 | \$ 118,584 | \$ (1,900,400) |
| | (9,131) | (7,920) | (12,447) | (45,501) | 10,095 | (31,302) |
| \$ | <u>(130,579)</u> | <u>356,576</u> | <u>(68,112)</u> | <u>2,808,556</u> | <u>128,679</u> | <u>(1,931,702)</u> |

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

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

| | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|------------------------------------|----------------------|----------------------|----------------------|---------------------|
| General Fund: | | | | |
| Committed | \$ - | \$ 499,198 | \$ - | \$ - |
| Assigned | 1,166,397 | 455,384 | - | - |
| Unassigned | 8,625,167 | 6,274,407 | - | - |
| Reserved | - | - | 5,853,953 | 3,487,047 |
| Unreserved | - | - | (107,141) | 24,651 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total general fund | <u>\$ 9,791,564</u> | <u>\$ 7,228,989</u> | <u>\$ 5,746,812</u> | <u>\$ 3,511,698</u> |
| All Other Governmental Funds: | | | | |
| Nonspendable | \$ 9,915 | \$ - | \$ - | \$ - |
| Restricted | 5,303,390 | 4,028,982 | - | - |
| Committed | 58,148 | 58,148 | - | - |
| Reserved | - | - | 2,646,836 | 2,618,943 |
| Unreserved, reported in: | | | | |
| Special revenue funds | - | - | 803,406 | 671,903 |
| Debt service funds | - | - | - | - |
| Capital projects funds | - | - | 810,860 | 1,246,346 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total all other governmental funds | <u>5,371,453</u> | <u>4,087,130</u> | <u>4,261,102</u> | <u>4,537,192</u> |
| Total governmental funds | <u>\$ 15,163,017</u> | <u>\$ 11,316,119</u> | <u>\$ 10,007,914</u> | <u>\$ 8,048,890</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>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 3,446,905 | 3,777,191 | 3,270,013 | 2,686,341 | 2,623,592 | 1,476,797 |
| 1,226,741 | 1,328,815 | 1,540,066 | 1,605,842 | (573,504) | 1,123,776 |
| <u>\$ 4,673,646</u> | <u>\$ 5,106,006</u> | <u>\$ 4,810,079</u> | <u>\$ 4,292,183</u> | <u>\$ 2,050,088</u> | <u>\$ 2,600,573</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,514,962 | 9,536,610 | 25,668,720 | 7,699,441 | 672,618 | 506,224 |
| 587,624 | 326,003 | 143,627 | 40,014 | 320,154 | 88,365 |
| - | - | - | - | 597,954 | 488,445 |
| 1,375,859 | 3,905,009 | 4,996,314 | 29,393,738 | (124,589) | 62,356 |
| <u>4,478,445</u> | <u>13,767,622</u> | <u>30,808,661</u> | <u>37,133,193</u> | <u>1,466,137</u> | <u>1,145,390</u> |
| <u>\$ 9,152,091</u> | <u>\$ 18,873,628</u> | <u>\$ 35,618,740</u> | <u>\$ 41,425,376</u> | <u>\$ 3,516,225</u> | <u>\$ 3,745,963</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>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Revenues | | | | |
| From local sources: | | | | |
| Property taxes | \$ 18,434,138 | \$ 18,811,911 | \$ - | \$ - |
| Income taxes | 3,450,748 | 3,232,606 | - | - |
| Taxes (A) | - | - | 20,990,462 | 17,016,294 |
| Payment in lieu of taxes | 244,242 | 454,264 | - | - |
| Tuition | 181,788 | 146,122 | 125,013 | 83,871 |
| Transportation fees | 55,534 | 85,064 | 56,336 | 54,884 |
| Earnings on investments | 33,868 | 27,631 | 57,979 | 226,305 |
| Charges for services | 672,597 | - | - | - |
| Classroom materials and fees | 168,530 | 167,652 | 166,571 | 159,568 |
| Extracurricular | 676,486 | 583,925 | 529,391 | 543,542 |
| Rental income | 58,866 | 72,479 | - | - |
| Contributions and donations | 5,006 | 11,865 | - | - |
| Other local revenues | 116,977 | 98,319 | 381,970 | 249,309 |
| Intergovernmental (B) | - | - | - | - |
| Intergovernmental - state | 15,901,369 | 15,978,937 | 16,027,739 | 16,383,458 |
| Intergovernmental - federal | 2,249,947 | 2,555,211 | 2,178,849 | 1,002,286 |
| Total revenues | <u>42,250,096</u> | <u>42,225,986</u> | <u>40,514,310</u> | <u>35,719,517</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 15,131,664 | 16,140,601 | 15,047,699 | 14,420,865 |
| Special | 3,662,751 | 3,967,804 | 3,790,609 | 4,310,721 |
| Vocational | 399,043 | 485,680 | 607,980 | 711,700 |
| Other | 315,296 | 414,698 | 1,064 | 69,882 |
| Current: | | | | |
| Pupil | 1,853,681 | 2,150,215 | 2,062,899 | 1,649,969 |
| Instructional staff | 1,246,547 | 1,765,596 | 1,831,800 | 1,352,083 |
| Board of education | 148,401 | 167,590 | 370,602 | 347,716 |
| Administration | 2,720,670 | 2,828,609 | 2,669,842 | 2,511,823 |
| Fiscal | 896,941 | 928,939 | 814,429 | 717,618 |
| Operations and maintenance | 3,973,373 | 4,407,317 | 3,902,521 | 3,553,880 |
| Pupil transportation | 2,515,817 | 2,665,689 | 2,287,317 | 2,006,000 |
| Central | 263,352 | 363,972 | 225,769 | 217,107 |
| Operation of non-instructional services: | | | | |
| Other non-instructional services | 219,495 | - | - | - |
| Food service operations | 1,149,568 | - | - | - |
| Extracurricular activities | 827,321 | 952,449 | 957,907 | 912,098 |
| Facilities acquisitions and construction | 1,318,446 | 1,985 | 57,261 | 222,272 |
| Capital outlay | - | 91,000 | - | 98,394 |
| Debt service: | | | | |
| Principal retirement | 3,988,978 | 3,998,337 | 4,108,332 | 4,166,886 |
| Interest and fiscal charges | 2,630,277 | 2,624,872 | 2,698,935 | 2,752,098 |
| Bond issuance costs | 143,215 | - | - | - |
| Note issuance costs | - | 19,478 | 22,135 | 26,319 |
| Total expenditures | <u>43,404,836</u> | <u>43,974,831</u> | <u>41,457,101</u> | <u>40,047,431</u> |
| Excess (deficiency) of revenues over (under) expenditures | (1,154,740) | (1,748,845) | (942,791) | (4,327,914) |

| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 13,941,704 | \$ 10,258,475 |
| - | - | - | - | - | 2,084,580 |
| 16,322,531 | 16,599,663 | 15,462,125 | 15,165,780 | - | - |
| - | - | - | - | - | - |
| 127,378 | 121,093 | 86,259 | 69,343 | 45,850 | 31,000 |
| 88,367 | 58,978 | 93,547 | 86,474 | 55,549 | 50,663 |
| 710,227 | 1,590,223 | 1,627,454 | 310,776 | 61,836 | 165,762 |
| - | - | - | - | - | - |
| 204,594 | 183,354 | 184,606 | 159,937 | 140,111 | 120,839 |
| 550,585 | 474,076 | 447,150 | 465,170 | 423,729 | 367,155 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 440,557 | 269,022 | 226,271 | 363,367 | 202,081 | 207,118 |
| - | - | - | - | 10,584,340 | 8,882,111 |
| 15,253,870 | 13,435,254 | 12,655,281 | 11,333,666 | - | - |
| 1,121,458 | 1,086,967 | 1,000,559 | 782,644 | - | - |
| <u>34,819,567</u> | <u>33,818,630</u> | <u>31,783,252</u> | <u>28,737,157</u> | <u>25,455,200</u> | <u>22,167,703</u> |
| 13,908,098 | 12,866,951 | 11,793,025 | 10,271,912 | 9,910,130 | 9,137,380 |
| 3,803,995 | 3,381,747 | 2,971,968 | 2,473,999 | 2,338,259 | 1,801,324 |
| 686,155 | 737,833 | 736,773 | 536,086 | 620,607 | 569,090 |
| 29,262 | - | 9,022 | 245 | - | - |
| 1,624,880 | 1,727,160 | 1,489,845 | 1,281,869 | 901,281 | 838,310 |
| 1,445,425 | 1,516,810 | 1,274,169 | 1,061,552 | 1,261,917 | 1,060,228 |
| 436,996 | 368,549 | 56,227 | 322,761 | 504,061 | 547,871 |
| 2,593,138 | 2,497,129 | 2,083,915 | 1,880,113 | 1,875,673 | 1,783,686 |
| 768,490 | 675,516 | 691,554 | 538,497 | 634,782 | 571,216 |
| 3,466,297 | 3,054,730 | 2,694,156 | 2,613,120 | 2,390,465 | 2,413,007 |
| 2,022,378 | 2,358,707 | 2,200,018 | 1,613,312 | 1,445,686 | 1,474,626 |
| 213,640 | 191,882 | 159,387 | 141,722 | 138,451 | 139,947 |
| - | - | - | - | - | 4,074,879 |
| - | - | - | - | - | - |
| 1,026,400 | 958,665 | 869,727 | 834,844 | 820,838 | 765,741 |
| 7,749,649 | 18,904,396 | 6,303,110 | 3,421,836 | 323,334 | - |
| 175,000 | - | - | - | - | - |
| 4,976,747 | 4,101,702 | 4,727,041 | 993,985 | 815,000 | 669,000 |
| 2,813,780 | 2,262,419 | 3,001,772 | 1,348,812 | 1,652,294 | 1,688,248 |
| - | 569,974 | - | 621,829 | - | - |
| 15,778 | - | - | - | - | - |
| <u>47,756,108</u> | <u>56,174,170</u> | <u>41,061,709</u> | <u>29,956,494</u> | <u>25,632,778</u> | <u>27,534,553</u> |
| (12,936,541) | (22,355,540) | (9,278,457) | (1,219,337) | (177,578) | (5,366,850) |

-- Continued

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

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

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|---------------------|-----------------------|
| Other Financing Sources (Uses) | | | | |
| Premium on bond and notes sold | \$ 151,638 | \$ 22,455 | \$ 31,815 | \$ 26,319 |
| Sale of capital assets | - | 36,690 | - | - |
| Sale of bonds | 2,670,000 | - | - | - |
| Sale of notes | 2,180,000 | 2,670,000 | 2,870,000 | 3,100,000 |
| Transfers in | 34,200 | - | 285 | - |
| Transfers (out) | (34,200) | - | (285) | - |
| Refund of prior year receipts | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | - | - |
| Capital lease transaction | - | 91,000 | - | 98,394 |
| Lease purchase transaction | - | - | - | - |
| Total other financing sources | <u>5,001,638</u> | <u>2,820,145</u> | <u>2,901,815</u> | <u>3,224,713</u> |
| Net change in fund balances | <u>\$ 3,846,898</u> | <u>\$ 1,071,300</u> | <u>\$ 1,959,024</u> | <u>\$ (1,103,201)</u> |
| Capital expenditures | \$ 1,542,274 | \$ 504,707 | \$ 271,419 | \$ 300,467 |
| Debt service as a percentage of noncapital expenditures | 15.81% | 15.28% | 16.58% | 17.47% |

Source: School District financial records.

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

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

| <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------|------------------------|-----------------------|----------------------|---------------------|-----------------------|
| \$ 22,940 | \$ 3,054,300 | \$ 8,917 | \$ 4,484,878 | \$ - | \$ - |
| - | 6,499 | 102,964 | 2,185 | 4,950 | 6,527 |
| - | 43,099,983 | - | 42,875,000 | - | - |
| 3,220,000 | 3,370,000 | 3,370,000 | 3,000,000 | - | - |
| 826,568 | 72,046 | 242,385 | 241,624 | 245,265 | 243,859 |
| (1,029,504) | (83,186) | (252,445) | (241,624) | (302,375) | (249,101) |
| - | - | - | - | - | (4,282) |
| - | (45,577,468) | - | (11,282,603) | - | - |
| 175,000 | - | - | - | - | - |
| - | 1,250,000 | - | - | - | - |
| <u>3,215,004</u> | <u>5,192,174</u> | <u>3,471,821</u> | <u>39,079,460</u> | <u>(52,160)</u> | <u>(2,997)</u> |
| <u>\$ (9,721,537)</u> | <u>\$ (17,163,366)</u> | <u>\$ (5,806,636)</u> | <u>\$ 37,860,123</u> | <u>\$ (229,738)</u> | <u>\$ (5,369,847)</u> |
| \$ 9,052,801 | \$ 18,845,087 | \$ 5,742,621 | \$ 3,635,641 | \$ 152,436 | \$ 3,101,421 |
| 20.17% | 17.05% | 21.88% | 8.90% | 9.68% | 9.65% |

**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 |
| 2012 | \$ 391,015,940 | \$ 1,117,188,400 | \$ - | \$ - | \$ 16,907,470 | \$ 67,629,880 |
| 2011 | 418,815,410 | 1,196,615,457 | 39,570 | 158,280 | 17,015,400 | 68,061,600 |
| 2010 | 422,680,650 | 1,207,659,000 | 336,304 | 1,345,216 | 15,492,790 | 44,265,114 |
| 2009 | 418,714,450 | 1,196,327,000 | 502,706 | 2,010,824 | 15,540,000 | 44,400,000 |
| 2008 | 401,308,730 | 1,146,596,371 | 8,157,431 | 32,629,724 | 15,689,440 | 44,826,971 |
| 2007 | 380,944,740 | 1,088,413,543 | 10,326,909 | 41,307,636 | 18,010,000 | 51,457,143 |
| 2006 | 364,693,210 | 1,041,980,600 | 17,967,340 | 71,869,360 | 18,575,380 | 53,072,514 |
| 2005 | 313,712,120 | 896,320,343 | 24,125,031 | 96,500,124 | 19,546,420 | 55,846,914 |
| 2004 | 293,808,010 | 839,451,457 | 21,800,651 | 87,202,604 | 19,389,850 | 55,399,571 |
| 2003 | 274,253,120 | 783,580,343 | 22,937,147 | 91,748,588 | 23,611,280 | 67,460,800 |

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 (b) | Estimated Actual Value | % |
| \$ | 79.13 | \$ 407,923,410 | \$ 1,184,818,280 | 34.43% |
| | 78.16 | 435,870,380 | 1,264,835,337 | 34.46% |
| | 77.75 | 438,509,744 | 1,253,269,330 | 34.99% |
| | 62.93 | 434,757,156 | 1,242,737,824 | 34.98% |
| | 61.25 | 425,155,601 | 1,224,053,067 | 34.73% |
| | 61.25 | 409,281,649 | 1,181,178,322 | 34.65% |
| | 61.25 | 401,235,930 | 1,166,922,474 | 34.38% |
| | 61.00 | 357,383,571 | 1,048,667,381 | 34.08% |
| | 61.05 | 334,998,511 | 982,053,633 | 34.11% |
| | 61.20 | 320,801,547 | 942,789,731 | 34.03% |

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

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

| | Tax Year | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
| 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 | 63.23 | 63.73 | 63.22 | 48.40 | 48.40 | 48.40 | 48.40 | 48.40 | 48.42 | 48.57 |
| Voted - Bond | 10.40 | 8.93 | 9.03 | 9.03 | 7.35 | 7.35 | 7.35 | 7.10 | 7.13 | 7.13 |
| Voted - Classroom Facilities | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Total Voted | <u>74.13</u> | <u>73.16</u> | <u>72.75</u> | <u>57.93</u> | <u>56.25</u> | <u>56.25</u> | <u>56.25</u> | <u>56.00</u> | <u>56.05</u> | <u>56.20</u> |
| Total | <u>79.13</u> | <u>78.16</u> | <u>77.75</u> | <u>62.93</u> | <u>61.25</u> | <u>61.25</u> | <u>61.25</u> | <u>61.00</u> | <u>61.05</u> | <u>61.20</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 | 8.55 | 8.55 | 8.55 | 7.55 | 7.55 | 7.55 | 7.55 | 7.05 | 7.05 | 7.05 |
| Franklin County | 17.32 | 17.32 | 17.32 | 17.37 | 17.84 | 17.79 | 17.79 | 17.79 | 16.99 | 16.99 |
| Cities/Villages: | | | | | | | | | | |
| Canal Winchester | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Columbus | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 | 3.14 |
| Lithopolis | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 | 5.90 |
| Pickerington | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 | 7.80 |
| Townships: | | | | | | | | | | |
| Bloom | 17.80 | 17.80 | 18.05 | 18.05 | 18.05 | 18.05 | 18.05 | 15.30 | 15.30 | 15.30 |
| Madison | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 | 21.80 |
| Violet | 14.05 | 14.05 | 14.05 | 14.05 | 13.85 | 13.85 | 13.83 | 13.55 | 13.65 | 13.65 |

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

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

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

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

**PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2011 AND DECEMBER 31, 2002**

| December 31, 2011 | | | |
|---------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Dominion Transmission Inc | \$ 7,923,680 | 1 | 1.94% |
| Winchester Square LLC | 5,492,240 | 2 | 1.35% |
| Wal-Mart Real Estate | 4,326,000 | 3 | 1.06% |
| Waterloo Crossing LTD | 4,142,040 | 4 | 1.02% |
| South Central Power | 3,571,090 | 5 | 0.88% |
| TS Trim Industries Inc | 2,512,870 | 6 | 0.62% |
| HD Development | 2,197,310 | 7 | 0.54% |
| Lehman Village LTD | 1,961,370 | 8 | 0.48% |
| Greenbridge Company LTD | 1,960,010 | 9 | 0.48% |
| Schroer Properties | 1,715,000 | 10 | 0.42% |
| Total | \$ 35,801,610 | | 8.78% |
| Total Assessed Valuation | | | \$ 407,923,410 |

| December 31, 2002 | | | |
|---------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Dominion Transmission Inc | \$ 11,102,450 | 1 | 3.46% |
| TS Trim Industries Inc | 4,868,190 | 2 | 1.52% |
| Gender/Thirty Three | 3,548,420 | 3 | 1.11% |
| Ohio Bell Telephone Co | 2,864,460 | 4 | 0.89% |
| Bob McDorman Chevrolet Inc | 2,719,950 | 5 | 0.85% |
| South Central Power Co | 2,524,660 | 6 | 0.79% |
| Lehman Village Apartments | 2,414,590 | 7 | 0.75% |
| Eastside Properties Partnership | 2,349,390 | 8 | 0.73% |
| Winchester Lakes LLC | 2,324,420 | 9 | 0.72% |
| Ventas Finance I LLC | 2,252,260 | 10 | 0.70% |
| Total | \$ 36,968,790 | | 11.52% |
| Total Assessed Valuation | | | \$ 320,801,547 |

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) |
|--|-----------------------------|-----------------------------------|--|--------------------------------------|---------------------------------|--|
| 2010/2011 | \$ 16,330,398 | \$ 15,655,384 | 95.87% | \$ 361,818 | \$ 16,017,202 | 98.08% |
| 2009/2010 | 16,164,347 | 15,512,478 | 95.97% | 436,686 | 15,949,164 | 98.67% |
| 2008/2009 | 11,251,590 | 10,803,009 | 96.01% | 439,501 | 11,242,510 | 99.92% |
| 2007/2008 | 10,834,409 | 10,461,530 | 96.56% | 471,407 | 10,932,937 | 100.91% |
| 2006/2007 | 11,001,648 | 10,713,823 | 97.38% | 520,770 | 11,234,593 | 102.12% |
| 2005/2006 | 10,651,892 | 10,286,000 | 96.57% | 322,436 | 10,608,436 | 99.59% |
| 2004/2005 | 10,096,763 | 9,734,437 | 96.41% | 309,744 | 10,044,181 | 99.48% |
| 2003/2004 | 9,573,772 | 9,306,030 | 97.20% | 385,153 | 9,691,183 | 101.23% |
| 2002/2003 | 9,476,121 | 8,800,033 | 92.87% | 280,174 | 9,080,207 | 95.82% |
| 2001/2002 | 8,687,620 | 8,459,781 | 97.38% | 249,941 | 8,709,722 | 100.25% |

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 |
|----|---|---|
| \$ | 719,444 | 4.41% |
| | 963,641 | 5.96% |
| | 1,111,776 | 9.88% |
| | 1,029,944 | 9.51% |
| | 943,142 | 8.57% |
| | 945,212 | 8.87% |
| | 681,446 | 6.75% |
| | 611,880 | 6.39% |
| | 735,362 | 7.76% |
| | 624,423 | 7.19% |

**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 | Energy Conservation Bonds | Lease Purchase Agreement |
| 2012 | \$ 62,502,315 | \$ - | \$ - | \$ - | \$ 2,184,257 | \$ 1,030,887 |
| 2011 | 60,402,000 | - | - | 2,670,000 | - | 1,077,224 |
| 2010 | 60,852,378 | - | - | 2,870,000 | - | 1,121,330 |
| 2009 | 61,248,181 | - | - | 3,100,000 | - | 1,163,310 |
| 2008 | 61,643,432 | - | - | 3,220,000 | - | 1,203,267 |
| 2007 | 62,753,238 | - | - | 3,370,000 | - | 1,241,298 |
| 2006 | 62,974,172 | - | 43,000 | 3,370,000 | - | - |
| 2005 | 64,004,768 | 163,781 | 84,000 | 3,000,000 | - | - |
| 2004 | 31,138,223 | 318,781 | 121,000 | - | - | - |
| 2003 | 31,773,223 | 463,781 | 156,000 | - | - | - |

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.

| | | (A) Total Primary Government | (B) Per Capita | (B) Per ADM | (B) Total Debt as a Percentage of Personal Income |
|----|---------|---------------------------------------|----------------------|-------------------|--|
| \$ | 115,525 | \$ 65,832,984 | N/A | \$ 18,151 | N/A |
| | 188,166 | 64,337,390 | \$ 8,947 | 17,641 | 26.53% |
| | 161,397 | 65,005,105 | 9,154 | 17,756 | 28.34% |
| | 212,749 | 65,724,240 | 10,209 | 18,725 | 31.79% |
| | 151,284 | 66,217,983 | 10,522 | 19,127 | 32.00% |
| | - | 67,364,536 | 11,060 | 20,444 | 34.47% |
| | - | 66,387,172 | 11,265 | 22,696 | 35.78% |
| | 7,260 | 67,259,809 | 11,842 | 25,032 | 38.35% |
| | 49,245 | 31,627,249 | 5,865 | 12,753 | 19.33% |
| | 91,107 | 32,484,111 | 6,239 | 13,888 | 20.83% |

**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 | | |
| 2012 | \$ 62,502,315 | \$ 2,184,257 | \$ 64,686,572 | 5.46% | N/A |
| 2011 | 60,402,000 | - | 60,402,000 | 4.78% | \$ 8,400 |
| 2010 | 60,852,378 | - | 60,852,378 | 4.86% | 8,570 |
| 2009 | 61,248,181 | - | 61,248,181 | 4.93% | 9,514 |
| 2008 | 61,643,432 | - | 61,643,432 | 5.04% | 9,796 |
| 2007 | 62,753,238 | - | 62,753,238 | 5.31% | 10,303 |
| 2006 | 62,974,172 | - | 62,974,172 | 5.40% | 10,686 |
| 2005 | 64,004,768 | 163,781 | 64,168,549 | 6.12% | 11,297 |
| 2004 | 31,138,223 | 318,781 | 31,457,004 | 3.20% | 5,833 |
| 2003 | 31,773,223 | 463,781 | 32,237,004 | 3.42% | 6,191 |

Source: School District financial records.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

| <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 | \$ 64,686,572 | 100.00% | \$ 64,686,572 |
| | <u>64,686,572</u> | | <u>64,686,572</u> |
| Overlapping debt: | | | |
| Fairfield County | 5,890,000 | 3.28% | 193,192 |
| Franklin County | 261,625,000 | 1.14% | 2,982,525 |
| City of Canal Winchester | 2,381,353 | 96.07% | 2,287,766 |
| City of Columbus | 558,703,726 | 0.62% | 3,463,963 |
| City of Pickerington | 3,540,000 | 0.12% | 4,248 |
| Madison Township | 511,169 | 33.34% | 170,424 |
| Violet Township | 2,580,000 | 4.27% | 110,166 |
| Eastland-Fairfield Career & Technical JVS District | 3,650,000 | 5.62% | 205,130 |
| | <u>838,881,248</u> | | <u>9,417,414</u> |
| Total direct and overlapping debt | <u>\$ 903,567,820</u> | | <u>\$ 74,103,986</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 2011 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 |
|--------------------|-------------------------|---------------------------------------|---------------------------------------|-------------------------------------|------------------------------------|---|
| 2012 | \$ 36,713,107 | \$ 58,693,346 | \$ 2,693,294 | \$ 56,000,052 | \$ (19,286,945) | 152.53% |
| 2011 | 39,224,773 | 57,223,346 | 2,425,323 | 54,798,023 | (15,573,250) | 139.70% |
| 2010 | 39,435,610 | 58,243,346 | 2,436,983 | 55,806,363 | (16,370,753) | 141.51% |
| 2009 | 39,081,803 | 59,158,347 | 2,374,697 | 56,783,650 | (17,701,847) | 145.29% |
| 2008 | 37,526,925 | 60,028,346 | 2,171,525 | 57,856,821 | (20,329,896) | 154.17% |
| 2007 | 35,905,927 | 61,277,884 | 3,512,020 | 57,765,864 | (21,859,937) | 160.88% |
| 2006 | 34,439,450 | 61,684,048 | 3,282,230 | 58,401,818 | (23,962,368) | 169.58% |
| 2005 | 29,993,269 | 62,878,223 | 4,585,820 | 58,292,403 | (28,299,134) | 194.35% |
| 2004 | 28,187,807 | 31,457,004 | 1,064,827 | 30,392,177 | (2,204,370) | 107.82% |
| 2003 | 26,807,796 | 32,237,004 | 709,142 | 31,527,862 | (4,720,066) | 117.61% |

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

| <u>Year</u> | <u>Population (A)</u> | <u>Per Capital Personal Income (A)</u> | <u>Total Personal Income</u> | <u>School Enrollment (B)</u> | <u>Unemployment Rates (C)</u> | | |
|-------------|-----------------------|--|----------------------------------|----------------------------------|-------------------------------|-------------|--------------------------|
| | | | | | <u>Franklin County</u> | <u>Ohio</u> | <u>United States</u> |
| 2012 | N/A | N/A | N/A | 3,627 | 5.5% | 6.9% | 7.9% |
| 2011 | 7,191 | \$ 33,727 | \$ 242,530,857 | 3,647 | 7.6% | 7.6% | 8.3% |
| 2010 | 7,101 | 32,301 | 229,369,401 | 3,661 | 8.5% | 10.1% | 9.8% |
| 2009 | 6,438 | 32,118 | 206,775,684 | 3,510 | 8.3% | 11.8% | 10.6% |
| 2008 | 6,293 | 32,885 | 206,945,305 | 3,462 | 5.5% | 6.5% | 5.8% |
| 2007 | 6,091 | 32,081 | 195,405,371 | 3,295 | 4.7% | 5.6% | 4.6% |
| 2006 | 5,893 | 31,484 | 185,535,212 | 2,925 | 4.7% | 5.5% | 4.6% |
| 2005 | 5,680 | 30,875 | 175,370,000 | 2,687 | 5.2% | 5.9% | 5.1% |
| 2004 | 5,393 | 30,342 | 163,634,406 | 2,480 | 5.5% | 6.2% | 5.5% |
| 2003 | 5,207 | 29,952 | 155,960,064 | 2,339 | 5.3% | 6.2% | 6.0% |

(A) U. S. Census Bureau.

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

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

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

N/A - Information is not available.

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

PRINCIPAL EMPLOYERS
CURRENT YEAR

| Employer | December 31, 2011 | | |
|---|--------------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment |
| TS Trim | 522 | 1 | 9.71% |
| Canal Winchester Schools | 422 | 2 | 7.85% |
| WalMart | 329 | 3 | 6.12% |
| NIFCO | 220 | 4 | 4.09% |
| Meijer | 200 | 5 | 3.72% |
| First Healthcare Corporation | 174 | 6 | 3.24% |
| Kroger | 150 | 7 | 2.79% |
| Waste Management | 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.

Note: Calendar Year 2011 was the first year this information was available.

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

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

| Type | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Certified Staff | 221.00 | 249.75 | 235.80 | 222.00 | 226.00 | 217.00 |
| Harvest Preparatory School | 2.00 | 4.00 | 4.00 | 3.00 | 3.00 | 4.00 |
| Coordinators | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Administrators | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 |
| Classified Staff | 129.00 | 151.00 | 146.00 | 128.00 | 128.00 | 125.00 |
| Total | 366.00 | 418.75 | 399.80 | 367.00 | 371.00 | 360.00 |

| Function | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Instruction: | | | | | | |
| Regular | 167.00 | 184.25 | 171.75 | 174.70 | 176.50 | 165.50 |
| Special | 36.00 | 38.00 | 37.50 | 19.00 | 19.00 | 22.00 |
| Vocational | 3.00 | 5.50 | 5.75 | 7.50 | 7.50 | 8.50 |
| Support Services: | | | | | | |
| Pupil | 39.00 | 56.00 | 52.80 | 37.80 | 41.00 | 42.00 |
| Instructional staff | 5.00 | 10.00 | 9.00 | 7.60 | 7.60 | 8.60 |
| Administration | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 |
| Clerical | 20.00 | 20.00 | 19.00 | 19.00 | 17.00 | 18.00 |
| Fiscal | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Operations and maintenance | 30.00 | 35.00 | 34.00 | 34.00 | 34.00 | 28.00 |
| Pupil transportation | 44.00 | 46.00 | 45.00 | 42.00 | 44.00 | 42.00 |
| Food service operations | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Harvest Preparatory School | 2.00 | 4.00 | 4.00 | 4.40 | 3.40 | 4.40 |
| Total Governmental Activities | 366.00 | 418.75 | 399.80 | 367.00 | 371.00 | 360.00 |

Source: School District records.

| 2006 | 2005 | 2004 | 2003 |
|---------------|---------------|---------------|---------------|
| 206.00 | 188.50 | 192.00 | 188.00 |
| 1.00 | 1.50 | - | - |
| 2.00 | 2.00 | 2.00 | 2.00 |
| 11.00 | 11.00 | 12.00 | 11.00 |
| 116.00 | 110.00 | 104.00 | 102.00 |
| 336.00 | 313.00 | 310.00 | 303.00 |

| 2006 | 2005 | 2004 | 2003 |
|---------------|---------------|---------------|---------------|
| 155.90 | 145.25 | 145.00 | 140.00 |
| 20.00 | 18.00 | 17.00 | 16.00 |
| 8.35 | 6.50 | 8.00 | 8.00 |
| 37.75 | 34.75 | 29.00 | 31.00 |
| 8.60 | 8.00 | 10.00 | 10.00 |
| 13.00 | 13.00 | 14.00 | 13.00 |
| 17.00 | 16.00 | 16.00 | 16.00 |
| 4.00 | 4.00 | 4.00 | 4.00 |
| 28.00 | 27.00 | 28.00 | 28.00 |
| 39.00 | 36.00 | 34.00 | 32.00 |
| 3.00 | 3.00 | 4.00 | 4.00 |
| 1.40 | 1.50 | 1.00 | 1.00 |
| 336.00 | 313.00 | 310.00 | 303.00 |

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

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

| Function | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | |
| Regular and Special | | | | | | | |
| Enrollment (students) | 3,627 | 3,647 | 3,661 | 3,510 | 3,462 | 3,295 | 2,925 |
| Graduates | 221 | 224 | 227 | 194 | 207 | 170 | 186 |
| Support services: | | | | | | | |
| Board of education | | | | | | | |
| Regular meetings per year | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Special meetings per year | 19 | 11 | 6 | 11 | 10 | 22 | 11 |
| Administration | | | | | | | |
| Nonpayroll checks issued | 4,141 | 4,455 | 4,243 | 5,070 | 4,520 | 4,958 | 4,852 |
| Pupil transportation | | | | | | | |
| Avg. students transported daily | 2,132 | 2,160 | 2,034 | 1,832 | 2,127 | 1,930 | 1,988 |
| Food service operations | | | | | | | |
| Meals served to students | 294,182 | 308,516 | 306,384 | 304,172 | 290,653 | 256,630 | 242,630 |
| Breakfast served to students | 63,379 | 58,344 | 63,490 | 52,741 | 921 | N/A | N/A |

Source: School District records.

N/A: Information for the breakfast served to students is not applicable for fiscal years 2003-2007.

| 2005 | 2004 | 2003 |
|-------------|-------------|-------------|
| 2,687 | 2,480 | 2,339 |
| 161 | 164 | 127 |
| 12 | 12 | 12 |
| 7 | 8 | 11 |
| 4,448 | 4,911 | 5,156 |
| 1,723 | 1,749 | 2,056 |
| 211,051 | 200,573 | 178,618 |
| N/A | N/A | N/A |

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

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

| | <u>2012</u> | <u>2011 (A)</u> | <u>2010</u> | <u>2009</u> |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities: | | | | |
| Land | \$ 3,698,648 | \$ 3,698,648 | \$ 3,698,648 | \$ 3,698,648 |
| Land improvements | 56,999 | 58,069 | 59,140 | 60,210 |
| Buildings and improvements | 63,126,921 | 63,862,168 | 64,634,286 | 65,368,670 |
| Furniture and equipment | 2,104,827 | 2,249,411 | 2,305,998 | 2,485,632 |
| Vehicles | 461,953 | 588,534 | 534,604 | 692,141 |
| Construction in progress | 1,227,300 | - | - | - |
| Total Governmental Activities | <u>70,676,648</u> | <u>70,456,830</u> | <u>71,232,676</u> | <u>72,305,301</u> |
| Capital Assets, net | <u>\$ 70,676,648</u> | <u>\$ 70,456,830</u> | <u>\$ 71,232,676</u> | <u>\$ 72,305,301</u> |
| Business-type Activities: | | | | |
| Furniture and equipment | \$ - | \$ - | \$ 102,815 | \$ 115,250 |
| Vehicles | - | - | - | - |
| Total Business-type Activities | <u>-</u> | <u>-</u> | <u>102,815</u> | <u>115,250</u> |
| Capital Assets, net | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 102,815</u> | <u>\$ 115,250</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.

| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 3,698,648 | \$ 3,698,648 | \$ 3,698,648 | \$ 4,205,598 | \$ 1,357,784 | \$ 1,357,784 |
| 61,280 | 62,350 | 63,420 | 64,491 | - | - |
| 66,140,493 | 35,681,164 | 35,081,326 | 35,512,529 | 37,158,114 | 37,591,075 |
| 2,532,187 | 2,028,668 | 1,954,044 | 1,753,055 | 1,866,047 | 1,989,975 |
| 851,702 | 1,029,254 | 864,584 | 909,003 | 983,043 | 1,071,676 |
| - | 22,868,642 | 5,746,121 | 574,022 | - | - |
| <u>\$ 73,284,310</u> | <u>\$ 65,368,726</u> | <u>\$ 47,408,143</u> | <u>\$ 43,018,698</u> | <u>\$ 41,364,988</u> | <u>\$ 42,010,510</u> |
| \$ 127,684 | \$ 140,118 | \$ 152,552 | \$ 166,892 | \$ 143,394 | \$ 156,421 |
| - | - | - | 1,434 | 1,691 | 1,948 |
| <u>\$ 127,684</u> | <u>\$ 140,118</u> | <u>\$ 152,552</u> | <u>\$ 168,326</u> | <u>\$ 145,085</u> | <u>\$ 158,369</u> |

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</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 | 849 | 836 | 898 | 878 | 889 | 861 |
| Number of Teachers (A) | 39 | 44 | 44 | 47 | 47 | 43 |
| Pupil to Teacher Ratio | 22.1 | 18.9 | 20.6 | 18.9 | 18.9 | 20.0 |
| Winchester Trail Elementary (2002, 2008) | | | | | | |
| Square feet | 118,299 | 118,299 | 118,299 | 118,299 | 118,299 | 72,174 |
| Capacity (students) | 1,125 | 1,125 | 1,125 | 1,125 | 1,125 | 525 |
| Enrollment | 813 | 885 | 874 | 860 | 808 | 518 |
| Number of Teachers (A) | 55 | 63 | 58 | 51 | 50 | 32 |
| Pupil to Teacher Ratio | 14.8 | 14.2 | 15.1 | 17.0 | 16.3 | 16.2 |
| Intermediate School | | | | | | |
| Square feet | N/A | N/A | N/A | N/A | N/A | 46,500 |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | 475 |
| Enrollment | N/A | N/A | N/A | N/A | N/A | 518 |
| Number of Teachers (A) | N/A | N/A | N/A | N/A | N/A | 30 |
| Pupil to Teacher Ratio | N/A | N/A | N/A | N/A | N/A | 17.3 |
| Old Middle School | | | | | | |
| Square feet | N/A | N/A | N/A | N/A | N/A | 69,660 |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | 325 |
| Enrollment | N/A | N/A | N/A | N/A | N/A | 508 |
| Number of Teachers (A) | N/A | N/A | N/A | N/A | N/A | 36 |
| Pupil to Teacher Ratio | N/A | N/A | N/A | N/A | N/A | 14.1 |
| Modular Classrooms (B) | | | | | | |
| Square feet | N/A | N/A | N/A | N/A | N/A | 12,740 |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | 200 |
| Middle School (2008) | | | | | | |
| Square feet | 130,958 | 130,958 | 130,958 | 130,958 | 130,958 | N/A |
| Capacity (students) | 921 | 921 | 921 | 921 | 921 | N/A |
| Enrollment | 896 | 866 | 857 | 801 | 804 | N/A |
| Number of Teachers (A) | 56 | 60 | 56 | 49 | 49 | N/A |
| Pupil to Teacher Ratio | 16.1 | 14.5 | 15.2 | 16.3 | 16.3 | N/A |
| High School (1976, 1998, 2003) | | | | | | |
| Square feet | 136,148 | 136,148 | 136,148 | 136,148 | 136,148 | 90,248 |
| Capacity (students) | 1,025 | 1,025 | 1,025 | 1,025 | 1,025 | 680 |
| Enrollment | 1,069 | 1,060 | 1,032 | 971 | 961 | 890 |
| Number of Teachers (A) | 57 | 61 | 57 | 55 | 57 | 55 |
| Pupil to Teacher Ratio | 18.8 | 17.3 | 18.0 | 17.6 | 16.8 | 16.2 |
| Total enrollment by year | 3,627 | 3,647 | 3,661 | 3,510 | 3,462 | 3,295 |
| Total teachers by year | 206 | 228 | 215 | 201 | 203 | 196 |

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.

| 2006 | 2005 | 2004 | 2003 |
|-------------|-------------|-------------|-------------|
| 94,693 | 94,693 | 94,693 | 94,693 |
| 825 | 825 | 825 | 825 |
| 654 | 583 | 518 | 508 |
| 40 | 36 | 37 | 36 |
| 16.6 | 16.4 | 14.0 | 14.1 |
| 72,174 | 72,174 | 72,174 | 72,174 |
| 525 | 525 | 525 | 525 |
| 476 | 454 | 436 | 408 |
| 30 | 26 | 27 | 25 |
| 15.9 | 17.5 | 16.1 | 16.3 |
| 46,500 | 46,500 | 46,500 | 46,500 |
| 475 | 475 | 475 | 475 |
| 469 | 436 | 406 | 386 |
| 30 | 28 | 27 | 26 |
| 15.6 | 15.6 | 15.0 | 14.8 |
| 69,660 | 69,660 | 69,660 | 69,660 |
| 325 | 325 | 325 | 325 |
| 462 | 437 | 405 | 387 |
| 32 | 32 | 31 | 30 |
| 14.3 | 13.7 | 13.1 | 12.9 |
| 12,740 | 12,740 | 12,740 | 12,740 |
| 200 | 200 | 200 | 200 |
| N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A |
| 90,248 | 90,248 | 90,248 | 90,248 |
| 680 | 680 | 680 | 680 |
| 864 | 777 | 715 | 650 |
| 52 | 48 | 48 | 47 |
| 16.5 | 16.1 | 14.9 | 13.8 |
| 2,925 | 2,687 | 2,480 | 2,339 |
| 184 | 170 | 170 | 164 |

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | General Government | | Governmental Activities (B) | | Enrollment | Percent Change | Teaching Staff | Pupil/Teacher Ratio |
|-------------|--------------------|----------------|-----------------------------|----------------|------------|----------------|----------------|---------------------|
| | Expenditures (A) | Cost per Pupil | Expenses (A) | Cost per Pupil | | | | |
| 2012 | \$ 36,642,366 | \$ 10,103 | \$ 36,277,259 | \$ 10,002 | 3,627 | -0.55% | 206 | 17.61 |
| 2011 | 37,332,144 | 10,236 | 38,912,714 | 10,670 | 3,647 | -0.38% | 228 | 16.01 |
| 2010 | 34,627,699 | 9,459 | 34,941,661 | 9,544 | 3,661 | 4.30% | 215 | 17.03 |
| 2009 | 33,102,128 | 9,431 | 33,485,903 | 9,540 | 3,510 | 1.39% | 201 | 17.45 |
| 2008 | 39,949,803 | 11,540 | 31,497,191 | 9,098 | 3,462 | 5.07% | 203 | 17.05 |
| 2007 | 49,810,049 | 15,117 | 31,312,701 | 9,503 | 3,295 | 12.65% | 196 | 16.81 |
| 2006 | 33,332,896 | 11,396 | 28,228,421 | 9,651 | 2,925 | 8.86% | 184 | 15.88 |
| 2005 | 27,613,697 | 10,277 | 24,019,974 | 8,939 | 2,687 | 8.35% | 170 | 15.83 |
| 2004 | 23,165,484 | 9,341 | 23,896,048 | 9,636 | 2,480 | 6.03% | 170 | 14.59 |
| 2003 | 25,177,305 | 10,764 | 22,890,769 | 9,787 | 2,339 | -1.02% | 164 | 14.26 |

Source: School District records.

(A) Debt Service totals have been excluded.

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

**TEACHERS STATISTICS
LAST TEN FISCAL YEARS**

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Teachers' Salaries | | | | | | | |
| Average Salary | N/A | \$ 53,544 | \$ 53,529 | \$ 53,545 | \$ 51,297 | \$ 49,298 | \$ 47,770 |
| Teaching Experience | | | | | | | |
| 0-4 Years | N/A | 21.93% | 21.08% | 13.80% | 25.10% | 24.60% | 34.60% |
| 4-10 Years | N/A | 25.44% | 28.70% | 32.40% | 30.80% | 29.60% | 23.00% |
| 10 or More Years | N/A | 52.63% | 50.22% | 53.80% | 44.10% | 45.80% | 42.40% |

Source: Ohio Department of Education.

N/A - Information is not available.

| <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------|-------------|-------------|
| \$ 46,073 | \$ 43,369 | \$ 40,723 |
| N/A | N/A | N/A |
| N/A | N/A | N/A |
| N/A | N/A | N/A |

THIS PAGE IS INTENTIONALLY LEFT BLANK



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
MARCH 5, 2013