

Dave Yost • Auditor of State



**WESTERVILLE CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

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WESTERVILLE CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

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

Federal Grantor/ Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed Through Ohio Department of Education:</i>			
Non-Cash Assistance (Food Distribution) National School Lunch Program	10.555	N/A	\$ 369,016
Nutrition Cluster: National School Lunch Program	10.555	N/A	2,175,894
School Breakfast Program	10.553	N/A	778,111
Summer Food Service Program for Children	10.559	N/A	<u>50,587</u>
Total Nutrition Cluster			<u>3,373,608</u>
Total U.S. Department of Agriculture			<u>3,373,608</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	1,823,514
Special Education Cluster: Special Education - Grants to States	84.027	N/A	2,557,428
Special Education - Preschool Grant	84.173	N/A	<u>29,690</u>
Total Special Education Cluster			<u>2,587,118</u>
Career and Technical Education - Basic Grants to States	84.048	N/A	63,112
English Language Acquisition State Grants	84.365	N/A	257,141
Improving Teacher Quality State Grants	84.367	N/A	<u>262,414</u>
Total U.S. Department of Education			<u>4,993,299</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Jobs and Family Service:</i>			
Refugee and Entrant Assistance - Discretionary Grants	93.576	N/A	<u>19,966</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 8,386,873</u></b>

The accompanying notes to this schedule are an integral part of this schedule.

**WESTERVILLE CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments (codified in 2 CFR Part 22)* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

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

**NOTE D – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2016.

### ***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 21, 2016





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Westerville City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Westerville City School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Westerville City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

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

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements.

Westerville City School District  
Franklin County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and Internal Control Over  
Compliance Required By the Uniform Guidance  
Page 2

We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 21, 2016

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**WESTERVILLE CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2016**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>+(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster - Special Education – Grants to States, CFDA # 84.027 - Special Education – Preschool Grant, CFDA # 84.173
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# Westerville City School District

## Comprehensive Annual Financial Report

For Fiscal Year Ended  
June 30, 2016



Board of Education  
Westerville City School District  
Westerville, Ohio

**Westerville City School District**

**Westerville, Ohio**



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**Westerville City School District**

**Westerville, Ohio**



**Comprehensive Annual Financial Report**

**For Fiscal Year Ended June 30, 2016**

**Issued By:**

*Office of the Treasurer*

**Prepared By:**

*Bart Griffith*

*Treasurer*

*Laura A. Hendricks*

*Assistant Treasurer*

**Westerville City School District**

**Westerville, Ohio**



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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
***Comprehensive Annual Financial Report***  
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***For the Fiscal Year Ended June 30, 2016***

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***Comprehensive Annual Financial Report***  
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# Westerville City School District

Westerville, Ohio



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# Introductory Section



Board of Education  
Westerville City School District  
Westerville, Ohio

**Westerville City School District**

**Westerville, Ohio**



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# Westerville City Schools

Department of Treasurer/Fiscal Services  
Bart Griffith, Treasurer/CFO

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

## Vision

Our vision is  
to be the benchmark  
of educational  
excellence.

## Mission

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

## Values

Respect  
Inclusiveness  
Community  
Communication  
Collaboration  
Innovation  
Nurturing  
Trust  
Accountability

December 21, 2016

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

As the Superintendent and the Treasurer of the Westerville City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. This CAFR is prepared by the Treasurer and in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Management is responsible for the contents of this report, and we believe the data presented is complete and accurate in all material respects.

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

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

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

## REPORTING ENTITY

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2016*

---

The Westerville City School District (the District) is located in Central Ohio, immediately northeast of the City of Columbus. Encompassing 52 square miles, the District includes land in the City of Westerville, Village of Minerva Park, City of Columbus, Franklin County, and Delaware County. Westerville is a growing residential suburb with a school district enrollment of 14,890, and the District’s estimated population is 94,390 (Mid Ohio Regional Planning Commission). The District is currently comprised of 23 schools: 1 preschool, 15 elementary schools, four middle schools, and three high schools. The District is culturally and economically diverse, and its residents are well educated and expect a high quality education for their children. Many residents are area leaders in business, the professions, and the arts. Westerville is the home of Otterbein University, a 4-year liberal arts institution.

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

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

**ORGANIZATION OF THE DISTRICT / PROFILE OF THE GOVERNMENT**

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

Board members are elected at large for staggered four-year terms. The Board meets regularly on the second and fourth Monday of each month. At the first meeting of each year, the Board elects one of its members as president and one as vice-president to serve as such for one year. The Board members on June 30, 2016, were as follows:

Board Member	Service as a Board Member		
	Began	Expires	
Richard Bird	01/01/16	12/31/19	President
Rick Vilardo	01/01/14	12/31/17	Vice President
Tracy Davidson	01/01/14	12/31/17	Member
Gerrie Cotter	01/01/16	12/31/19	Member
Dr. Nancy Nestor-Baker	01/01/14	12/31/17	Member

## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2016*

---

The Superintendent of Schools is the Chief Executive and Administrative Officer for the Westerville Board of Education. On July 1, 2013, John Kellogg, Ed.D. was appointed Superintendent. Dr. Kellogg, in this capacity, directs and supervises the work of all the schools, offices, and employees of the Board, except the Treasurer and the Treasurer's staff. Dr. Kellogg is in his 32<sup>nd</sup> year of service to public education having served in the roles of teacher, administrator and Chief Executive Officer.

The Treasurer is the chief financial officer (CFO) of the District and is responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Bart Griffith was appointed as Treasurer/CFO on August 15, 2011. Mr. Griffith has been in the government finance profession for 23+ years.

### **ECONOMIC DEVELOPMENT AND OUTLOOK**

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

Employment in Westerville has improved with unemployment in June of 2015 of approximately 3.7% decreasing to 3.5% as of June 2016. Employment in the District is diversified with a majority in the finance and insurance sector.

The District has an excellent relationship with the City of Westerville, which assures that development projects selected by the City are also highly desirable for the District. When the City of Westerville uses an incentive to attract a business, it primarily uses Community Reinvestment Areas (CRAs) or Tax Increment Financing (TIF) areas. In either case, the District is reimbursed for property taxes it would have collected through an income tax sharing agreement with the City of Westerville. In almost every case, the reimbursement is significantly more than the District would have collected without the incentive being in place. The District and City maintain a strong working relationship to attract desirable development to the community.

### **EMPLOYEE RELATIONS**

The District currently has approximately 1,700 full-time and part-time employees. Four organizations represent District employees. For collective bargaining purposes, the Westerville Education Association (WEA) represents certificated employees, which include teachers and educational specialists. Classified employees are divided into three bargaining unions: the bus drivers and mechanics are represented by Ohio Association of Public School Employees (OAPSE #719); the custodial/maintenance staff and food service staff are represented by Ohio Association of Public School Employees (OAPSE #138); and the clerical staff is represented by the Westerville Education Support Staff Association (WESSA). In the opinion of District officials, labor relations are good.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2016*

---

Certified Staff

The teaching or certified staff is represented by the Westerville Education Association (WEA), which is affiliated with the Ohio Education Association (OEA) and the National Education Association (NEA). The Board has bargained with the WEA since September 1, 1997. The Board and the WEA signed a three-year agreement effective September 1, 2015 through August 31, 2018. The agreement provides a 2.0% raise and \$900 stipend effective for fiscal year 2015 through 2018.

Classified Staff

Classified employees are represented by three unions: bus drivers and mechanics are represented by the Ohio Association of Public School Employees (OAPSE #719), the custodial, maintenance and food service staff are represented by OAPSE #138, and the clerical staff is represented by Westerville Educational Support Staff Association (WESSA). In June of 2014, all three unions approved new four year agreements. The agreements provide a 2% raise for fiscal year 2015 through 2018.

**FINANCIAL INFORMATION**

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

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of "reasonable assurance" recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at these levels may only be

## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Letter of Transmittal For the Fiscal Year Ended June 30, 2016*

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made by resolution of the Board of Education. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding fiscal years and are not re-appropriated.

#### **Financial Planning and Policies**

As required by Ohio Revised Code, the District adopts a five-year financial forecast annually to ensure long term financial success. It serves as a planning tool to certify if funds are available for future expenditures and to strategize when the District will need to return to voters for additional funds or to reduce expenditures accordingly. The most recent forecast, approved in September 2016, shows a positive available fund balance through 2021.

#### **AWARDS AND ACKNOWLEDGEMENTS**

##### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Westerville City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the high standards required by the Certificate of Achievement program, and we are submitting it to GFOA to determine its eligibility for a certificate.

##### **Independent Audit**

State statutes require a bi-annual audit by independent auditor's unless a single audit is required. The Ohio Auditor of State conducted the District's 2016 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

##### **Acknowledgments**

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis would not have been possible without the cooperation of the entire Treasurer's Department. A special note of appreciation is extended to the District's Assistant Treasurer, Laura A. Hendricks, whose countless hours and dedication made this document a reality.

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

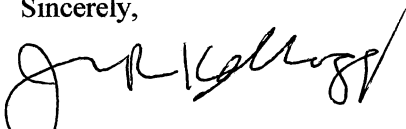
**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2016*

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Sincerely,



John R. Kellogg, Ed.D  
Superintendent/CEO



Bart Griffith  
Treasurer/CFO

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Elected Officials and Administrative Staff*

*As of June 30, 2016*

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**BOARD OF EDUCATION**

President

Richard Bird

Vice President

Rick Vilardo

Member

Tracy Davidson

Member

Dr. Carol French

Member

Dr. Nancy Nestor-Baker

**APPOINTED OFFICIALS**

Superintendent

Dr. John Kellogg

Treasurer

Bart Griffith

**ADMINISTRATIVE STAFF**

Deputy Superintendent

Mark Hershiser

Executive Director, Human Relations

Lori Lofton

Executive Director, Business Services

Jeff LeRose

Executive Director, Communications

Greg Viebranz

Executive Director, Elementary Academic Affairs

Barbara Wallace

Executive Director, Secondary Academic Affairs

Scott Reeves

Principal, Westerville North High School

Kurt Yancey

Principal, Westerville South High School

Steve Andersson

Principal, Westerville Central High School

Todd Spinner

Principal, Blendon Middle School

Kendall Harris

Principal, Genoa Middle School

Carrie Trusley

Principal, Heritage Middle School

Joseph Kacsandi

Principal, Walnut Springs Middle School

Becca Gianni

Principal, Alcott Elementary School

Lauren DeMars

Principal, Annehurst Elementary School

Earl Rahm

Principal, Cherrington Elementary School

Andy Heck

Principal, Emerson Elementary School

Chris Doolittle

Principal, Fouse Elementary School

Robert Stranges

Principal, Hanby Elementary School

Monica Brown

Principal, Hawthorne Elementary School

Angela Ervin

Principal, Huber Ridge Elementary School

Christopher Blados

Principal, Longfellow Elementary School

Chris Doolittle

Principal, Mark Twain Elementary School

Vicki Moss

Principal, McVay Elementary School

Scott May

Principal, Pointview Elementary School

Sherry Birchem

Principal, Robert Frost Elementary School

Sara Berka

Principal, Whittier Elementary School

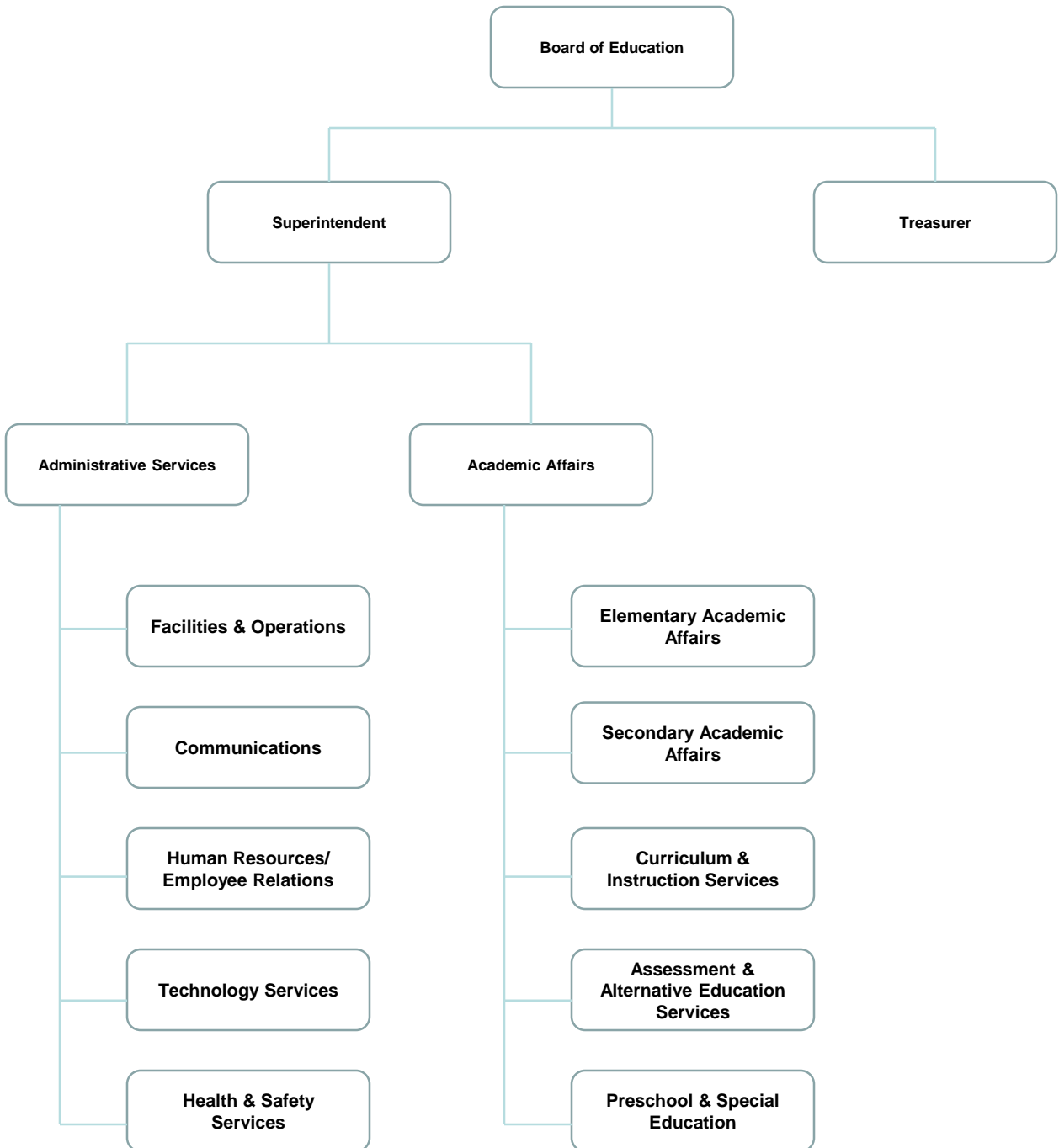
Cheryl Relford

Principal, Wilder Elementary School

Dr. Victoria Hazlett

# Westerville City School District, Ohio

Table of Organization for Administrators  
For Fiscal Year ended June 30, 2016







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Westerville City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**Westerville City School District**

**Westerville, Ohio**



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# Financial Section



Board of Education  
Westerville City School District  
Westerville, Ohio

**Westerville City School District**

**Westerville, Ohio**



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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 21, 2016

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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The management of the Westerville City School District (the District) offers the readers of the District's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities for the year ended June 30, 2016. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

The District's net position increased by \$24.7 million or 71.5%. Program revenues accounted for \$24 million or 11.9% of total revenues, and general revenues accounted for \$178.1 million or 88.1%.

The general fund reported a positive fund balance of \$108.5 million.

### **USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

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

### **REPORTING THE DISTRICT AS A WHOLE**

#### *Statement of Net Position and Statement of Activities*

While this document contains a large number of funds utilized by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did the District perform financially in 2016?" The Statement of Net Position and the Statement of Activities help to answer this question. These statements include *all assets plus deferred outflows of resources* and *liabilities plus deferred inflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by private sector corporations. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

Our analysis of the District's major funds begins on page 22. The fund financial statements begin on page 28 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary and fiduciary use different accounting approaches as further described in the notes to the basic financial statements.

### *Governmental Funds*

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

### *Proprietary Funds*

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

### *Fiduciary Funds*

The District is the trustee, or fiduciary for various student managed activity programs, various scholarship programs and other items listed as agency and private purpose. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on page 37-38. We exclude these activities from the District's other financial statements because the net position cannot be utilized by the District to finance its operations.

## **FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows were less than liabilities plus deferred inflows by \$9.8 million at the close of the most recent fiscal year. This is due to the implementation of GASB 68 which is discussed below.

A significant portion of the District's net position, \$71.8 million, reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a comparative analysis of fiscal year 2016 to 2015.

(Table 1)  
Net Position

	Governmental Activities	
	2016	2015
Current assets	\$240,243,105	\$228,352,802
Capital assets	<u>152,057,735</u>	<u>151,677,928</u>
Total assets	392,300,840	380,030,730
Deferred outflows	29,346,463	17,566,174
Current liabilities	26,777,180	19,505,012
Long term liabilities	<u>306,108,719</u>	<u>293,042,661</u>
Total liabilities	332,885,899	312,547,673
Deferred inflows	98,583,932	119,577,448
Net position:		
Net investment in capital assets	71,795,686	63,530,757
Restricted	17,174,078	19,876,123
Unrestricted	<u>(98,792,292)</u>	<u>(117,935,097)</u>
Total net position	<u>(\$9,822,528)</u>	<u>(\$34,528,217)</u>

An additional portion of the District's net position, \$17.2 million, represents resources subject to external restrictions on how they may be used.

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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Table 2 shows the changes in net position for fiscal year 2016 and 2015.

(Table 2)  
Changes in Net Position

	Governmental Activities	
	2016	2015
Revenues		
Program revenues		
Charges for services	\$ 6,723,667	\$ 6,257,051
Operating grants	<u>17,269,656</u>	<u>26,095,560</u>
Total program revenues	<u>23,993,323</u>	<u>32,352,611</u>
General revenues		
Property taxes	123,763,708	121,109,874
Grants and entitlements	49,942,547	47,812,297
Payment in lieu of taxes	3,204,684	3,213,638
Investment income	969,058	300,812
Miscellaneous	<u>241,113</u>	<u>8,730</u>
Total general revenues	<u>178,121,110</u>	<u>172,445,351</u>
Total revenues	<u>\$ 202,114,433</u>	<u>\$ 204,797,962</u>
Expenses		
Instruction		
Regular	\$ 73,908,072	\$ 68,584,408
Special	28,042,044	25,107,853
Vocational	405,855	366,088
Other	501,539	476,725
Support services		
Pupil	13,872,815	12,969,840
Instructional staff	5,737,536	4,740,756
Board of Education	1,022,775	1,011,234
Administration	12,301,803	11,317,560
Fiscal	2,937,632	3,284,545
Business	1,116,402	1,183,128
Operations & maintenance	12,956,102	12,843,328
Pupil transportation	8,373,304	8,230,115
Central	2,722,004	2,440,728
Other non-instructional services	1,564,744	7,654,093
Food service operations	5,167,219	5,410,307
Extracurricular activities	3,471,963	3,192,138
Interest and fiscal charges	<u>3,306,935</u>	<u>3,318,675</u>
Total expenses	<u>\$ 177,408,744</u>	<u>\$ 172,131,521</u>
Change in net position	24,705,689	32,666,441
Net position, beginning of year	<u>(34,528,217)</u>	<u>(67,194,658)</u>
Net position, end of year	<u>\$ (9,822,528)</u>	<u>\$ (34,528,217)</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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*Governmental Activities*

The net position of the District's governmental activities increased by \$24.7 million. Unrestricted net position reflects a negative balance of \$98.8 million. The District has developed a strategic plan to best utilize the resources available and to preserve those resources as long as possible. As the financial outlook of the District has stabilized and our Five Year Forecast shows a positive ending cash balance through 2021, Board of Education has reinstated many of the reductions in staff and programs that had remained in effect since the passage of an emergency levy in 2012 as well as implement some new programs. The most significant of these was the Teaching and Learning Roadmap which is projected to spend ~\$9 million over five years on student devices, hardware and professional development with the goal of the District having a 2:1 device to student ratio.

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

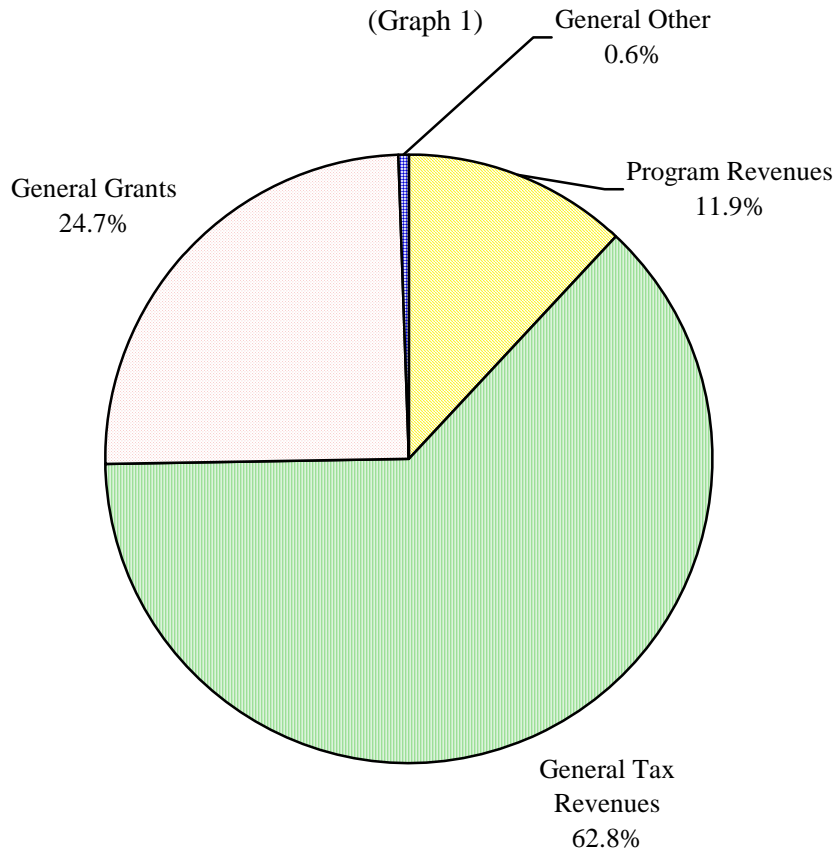
(Table 3)

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Program expenses				
Instruction				
Regular	\$ 73,908,072	\$ 68,584,408	\$ 71,918,937	\$ 64,208,183
Special	28,042,044	25,107,853	18,043,815	15,335,339
Vocational	405,855	366,088	(64,128)	41,469
Other	501,539	476,725	361,817	330,494
Support services				
Pupil	13,872,815	12,969,840	13,260,570	12,216,314
Staff	5,737,536	4,740,756	4,789,366	3,889,212
Board of education	1,022,775	1,011,234	1,022,775	999,859
Administration	12,301,803	11,317,560	12,039,988	11,075,030
Fiscal	2,937,632	3,284,545	2,896,301	3,256,893
Business	1,116,402	1,183,128	1,116,402	1,183,128
Operations & maintenance	12,956,102	12,843,328	12,189,872	12,261,051
Pupil transportation	8,373,304	8,230,115	7,868,783	7,752,139
Central	2,722,004	2,440,728	2,684,204	2,402,928
Other non-instructional services	1,564,744	7,654,093	398,311	(495,706)
Food service operations	5,167,219	5,410,307	(482,497)	371,827
Extracurricular activities	3,471,963	3,192,138	2,063,970	1,632,075
Interest and fiscal charges	3,306,935	3,318,675	3,306,935	3,318,675
<b>Total expenses</b>	<b>\$ 177,408,744</b>	<b>\$ 172,131,521</b>	<b>\$ 153,415,421</b>	<b>\$ 139,778,910</b>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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The District's reliance upon tax revenues is demonstrated by the graph below indicating 62.8% of total revenues from local taxes. The other large portion of general revenue support is the State Foundation program as 24.7% of total revenues. The reliance on general revenues is indicated by the net services column reflecting the need for \$153.4 million of support as well as the graph indicating general revenues comprise 88.1% of total revenues.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**Unaudited**

***The District's Funds***

The District's governmental funds (as presented on the Balance Sheet on page 28) reported a combined fund balance of \$126.5 million, which represents an increase of \$16 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and 2015.

***General Fund***

The District's general fund balance has increased in each of the last two years due to revenues that continue to increase and exceed expenditures. Property tax revenue increased \$2.3 million due to increasing property values. Intergovernmental – state revenue increased \$3.2 million due to increased State Aid. State Aid is based on a complex funding formula created by the State. Earnings on Investments increased \$750K due to the District working with our financial institution to take a more active approach to invest available funds. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

(Table 4)

	<u>Fund Balance</u> <u>June 30, 2016</u>	<u>Fund Balance</u> <u>June 30, 2015</u>	<u>Increase</u>
General	\$ 108,548,741	\$ 90,790,558	\$ 17,758,183
Debt Service	8,462,043	8,418,185	43,858
Permanent Improvement	6,535,495	8,974,070	(2,438,575)
Other Governmental	<u>2,973,531</u>	<u>2,297,901</u>	<u>675,630</u>
Total	<u>\$ 126,519,810</u>	<u>\$ 110,480,714</u>	<u>\$ 16,039,096</u>

(Table 5)

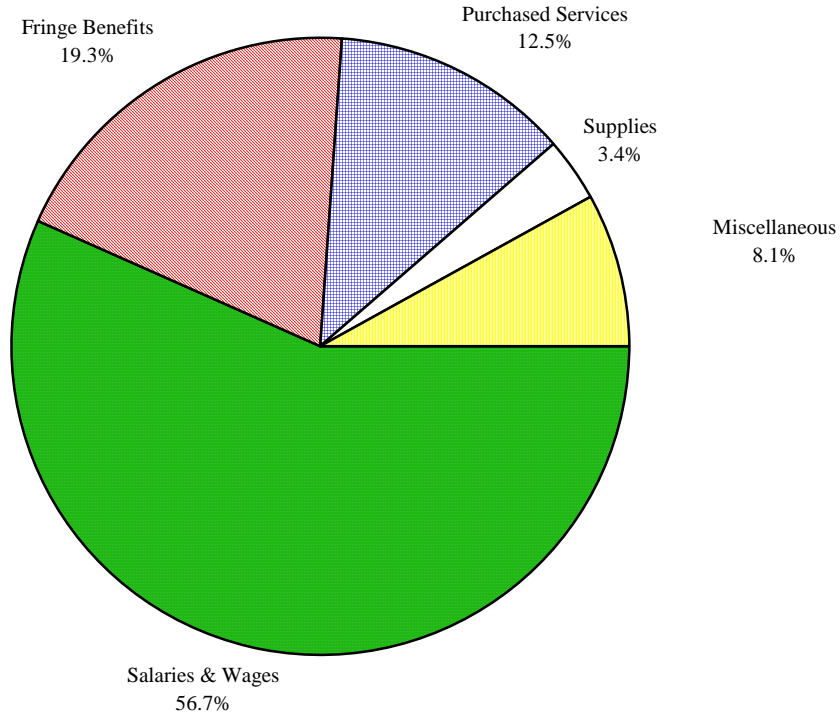
<b>Revenues by Source</b>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Revenues			
Taxes	\$ 108,350,820	\$ 106,024,717	2.19%
Payment in lieu of taxes	3,204,684	3,213,638	-0.28%
Intergovernmental - state	55,553,364	52,396,744	6.02%
Other revenue	<u>5,046,025</u>	<u>4,253,695</u>	<u>18.63%</u>
Total	<u>\$ 172,154,893</u>	<u>\$ 165,888,794</u>	<u>3.78%</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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

(Graph 2)



(Table 6)

<b>Expenditures by Object</b>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Salaries and Wages	\$ 87,943,391	\$ 83,393,329	5.46%
Fringe Benefits	30,041,974	28,662,895	4.81%
Purchased Services	19,368,208	18,646,810	3.87%
Supplies	5,235,280	3,250,040	61.08%
Miscellaneous	<u>12,530,545</u>	<u>12,181,803</u>	<u>2.86%</u>
Total	<u>\$ 155,119,397</u>	<u>\$ 146,134,878</u>	<u>6.15%</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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Expenditures have increased \$9 million over the prior year. Salaries and wages and fringe benefits have increased \$5.9 million due to salary increases and rising costs of medical insurance. In fiscal year 2016 all employees received raises and steps that averaged ~5%. Medical premiums increased ~5% in 2016. Supplies increased \$2 million as the Board decided to move curriculum expenses for software, textbooks and Chromebooks previously expended from the Permanent Improvement fund to the General fund, so that funds would be available in the Permanent Improvement fund for the addition and renovation of Pointview Elementary.

*Other Funds*

The District's debt service fund balance increased by \$44 thousand. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees.

The permanent improvement fund had a decrease in fund balance of \$2.4 million. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund were \$8.5 million for District facilities acquisition and construction costs and a transfer to the debt service fund of \$3 million to be used for debt repayment. The increase in construction costs of \$2 million is due to the addition and renovation of Pointview Elementary that was completed in August 2016.

Other governmental funds consist of special revenue funds. The increase in fund balance of \$676 thousand is primarily due to the increase in the Food Service fund as a result of federally regulated meal prices exceeding the expenditures of the program.

**General Fund Budget Information**

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. In June 2015 the District approved a Temporary Appropriations measure which included an estimated 75% of total expenditures for the General Fund. In September 2015 the District approved a Final Appropriations measure that included 100% of expenditures for the General Fund.

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

**Capital Assets**

The District has \$152.1 million invested in capital assets net of depreciation. Acquisitions totaled \$7.8 million and depreciation was \$7.4 million. Capital asset disposals, net of accumulated depreciation were \$30 thousand. The acquisitions were for various land and building improvements, equipment and buses.

For more detailed information regarding the District's capital assets, refer to Note 8 in the notes to the basic financial statements.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2016*  
*Unaudited*

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**Debt**

At June 30, 2016, the District had \$79.4 million in outstanding bonds. The District paid \$8.3 million in principal on bonds outstanding and \$3.1 million in interest during the fiscal year.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2016, the District's general obligation debt was below the legal limit.

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

**Requests for Information**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2016

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . .	\$ 101,778,369
Receivables:	
Property taxes . . . . .	133,713,883
Payment in lieu of taxes . . . . .	2,184,731
Accounts. . . . .	153,775
Accrued interest . . . . .	157,876
Intergovernmental . . . . .	1,240,764
Prepayments . . . . .	984,881
Materials and supplies inventory. . . . .	9,513
Inventory held for resale. . . . .	19,313
Capital assets:	
Nondepreciable capital assets . . . . .	10,077,982
Depreciable capital assets, net. . . . .	141,979,753
Capital assets, net . . . . .	<u>152,057,735</u>
Total assets. . . . .	<u>392,300,840</u>
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	3,201,024
Pension - STRS . . . . .	22,928,363
Pension - SERS . . . . .	3,217,076
Total deferred outflows of resources . . . . .	<u>29,346,463</u>
 <b>Liabilities:</b>	
Accounts payable. . . . .	1,128,071
Accrued wages and benefits payable . . . . .	10,955,325
Intergovernmental payable . . . . .	132,328
Pension and postemployment obligation payable.	2,401,552
Accrued interest payable . . . . .	242,030
Unearned revenue . . . . .	1,369,996
Claims payable. . . . .	1,121,173
Matured bonds payable . . . . .	31,842
Long-term liabilities:	
Due within one year. . . . .	9,394,863
Due in more than one year:	
Net pension liability (See Note 13) . . . . .	218,022,969
Other amounts due in more than one year . . . . .	88,085,750
Total liabilities . . . . .	<u>332,885,899</u>
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	82,486,365
Payment in lieu of taxes levied for the next fiscal year	2,184,731
Pension - STRS. . . . .	12,924,496
Pension - SERS. . . . .	988,340
Total deferred inflows of resources . . . . .	<u>98,583,932</u>
 <b>Net position:</b>	
Net investment in capital assets . . . . .	71,795,686
Restricted for:	
Capital projects . . . . .	6,817,930
Debt service. . . . .	7,595,622
Locally funded programs . . . . .	24,222
State funded programs. . . . .	240,904
Federally funded programs . . . . .	43,122
Student activities . . . . .	681,695
Other purposes . . . . .	1,770,583
Unrestricted (deficit) . . . . .	(98,792,292)
Total net position (deficit) . . . . .	<u>\$ (9,822,528)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 73,908,072	\$ 1,901,613	\$ 87,522	\$ (71,918,937)
Special . . . . .	28,042,044	328,004	9,670,225	(18,043,815)
Vocational . . . . .	405,855	-	469,983	64,128
Other . . . . .	501,539	-	139,722	(361,817)
Support services:				
Pupil. . . . .	13,872,815	210,009	402,236	(13,260,570)
Instructional staff . . . . .	5,737,536	-	948,170	(4,789,366)
Board of education . . . . .	1,022,775	-	-	(1,022,775)
Administration. . . . .	12,301,803	-	261,815	(12,039,988)
Fiscal. . . . .	2,937,632	-	41,331	(2,896,301)
Business. . . . .	1,116,402	-	-	(1,116,402)
Operations and maintenance . . . . .	12,956,102	761,658	4,572	(12,189,872)
Pupil transportation. . . . .	8,373,304	-	504,521	(7,868,783)
Central . . . . .	2,722,004	-	37,800	(2,684,204)
Operation of non-instructional services:				
Other non-instructional services . . . . .	1,564,744	-	1,166,433	(398,311)
Food service operations . . . . .	5,167,219	2,219,353	3,430,363	482,497
Extracurricular activities. . . . .	3,471,963	1,303,030	104,963	(2,063,970)
Interest and fiscal charges . . . . .	3,306,935	-	-	(3,306,935)
Total governmental activities . . . . .	177,408,744	6,723,667	17,269,656	(153,415,421)
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				108,123,915
Debt service. . . . .				7,749,164
Capital outlay. . . . .				7,890,629
Payments in lieu of taxes. . . . .				3,204,684
Grants and entitlements not restricted to specific programs . . . . .				49,942,547
Investment earnings . . . . .				969,058
Miscellaneous . . . . .				241,113
Total general revenues . . . . .				178,121,110
Change in net position . . . . .				24,705,689
<b>Net position (deficit) at beginning of year . . . . .</b>				(34,528,217)
<b>Net position (deficit) at end of year. . . . .</b>				\$ (9,822,528)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents. . . . .	\$ 81,003,097	\$ 5,489,274	\$ 3,070,514	\$ 3,418,213	\$ 92,981,098
Receivables:					
Property taxes. . . . .	116,629,492	8,463,092	8,621,299	-	133,713,883
Payment in lieu of taxes . . . . .	2,184,731	-	-	-	2,184,731
Accounts . . . . .	146,697	-	-	7,078	153,775
Accrued interest . . . . .	157,876	-	-	-	157,876
Interfund loans . . . . .	18,340	-	-	-	18,340
Intergovernmental. . . . .	745,528	-	-	495,236	1,240,764
Prepayments. . . . .	526,976	-	457,905	-	984,881
Materials and supplies inventory. . . . .	-	-	-	9,513	9,513
Inventory held for resale. . . . .	-	-	-	19,313	19,313
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	-	31,842	-	-	31,842
<b>Total assets . . . . .</b>	<b><u>201,412,737</u></b>	<b><u>13,984,208</u></b>	<b><u>12,149,718</u></b>	<b><u>3,949,353</u></b>	<b><u>231,496,016</u></b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 902,944	\$ -	\$ 3,981	\$ 220,439	\$ 1,127,364
Accrued wages and benefits payable . . . . .	10,399,025	-	-	556,300	10,955,325
Compensated absences payable . . . . .	358,411	-	-	9,527	367,938
Intergovernmental payable . . . . .	125,492	-	-	6,836	132,328
Pension and postemployment obligation payable . . . . .	2,237,172	-	-	164,380	2,401,552
Interfund loans payable. . . . .	-	-	-	18,340	18,340
Unearned revenue. . . . .	77,695	-	-	-	77,695
Matured bonds payable. . . . .	-	31,842	-	-	31,842
<b>Total liabilities. . . . .</b>	<b><u>14,100,739</u></b>	<b><u>31,842</u></b>	<b><u>3,981</u></b>	<b><u>975,822</u></b>	<b><u>15,112,384</u></b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	71,946,063	5,212,495	5,327,807	-	82,486,365
Payment in lieu of taxes levied for the next fiscal year. . . . .	2,184,731	-	-	-	2,184,731
Delinquent property tax revenue not available. . . . .	3,828,693	277,828	282,435	-	4,388,956
Intergovernmental revenue not available. . . . .	713,697	-	-	-	713,697
Accrued interest not available. . . . .	90,073	-	-	-	90,073
<b>Total deferred inflows of resources . . . . .</b>	<b><u>78,763,257</u></b>	<b><u>5,490,323</u></b>	<b><u>5,610,242</u></b>	<b><u>-</u></b>	<b><u>89,863,822</u></b>
<b>Total liabilities and deferred inflows of resources . . . . .</b>	<b><u>92,863,996</u></b>	<b><u>5,522,165</u></b>	<b><u>5,614,223</u></b>	<b><u>975,822</u></b>	<b><u>104,976,206</u></b>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory . . . . .	-	-	-	9,513	9,513
Prepays . . . . .	526,976	-	457,905	-	984,881
Restricted:					
Debt service . . . . .	-	8,462,043	-	-	8,462,043
Capital improvements . . . . .	-	-	6,077,590	-	6,077,590
Food service operations . . . . .	-	-	-	1,976,784	1,976,784
Non-public schools . . . . .	-	-	-	240,887	240,887
Special education . . . . .	-	-	-	5,319	5,319
Targeted academic assistance . . . . .	-	-	-	4,016	4,016
Vocational education . . . . .	-	-	-	26,786	26,786
Other purposes . . . . .	-	-	-	32,467	32,467
Extracurricular . . . . .	-	-	-	681,695	681,695
Committed:					
Capital improvements . . . . .	1,560,834	-	-	-	1,560,834
Assigned:					
Student instruction . . . . .	519,435	-	-	-	519,435
Student and staff support . . . . .	959,800	-	-	-	959,800
Facilities acquisition and construction . . . . .	181,841	-	-	-	181,841
Unassigned . . . . .	104,799,855	-	-	(3,936)	104,795,919
Total fund balances . . . . .	<u>108,548,741</u>	<u>8,462,043</u>	<u>6,535,495</u>	<u>2,973,531</u>	<u>126,519,810</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 201,412,737</u>	<u>\$ 13,984,208</u>	<u>\$ 12,149,718</u>	<u>\$ 3,949,353</u>	<u>\$ 231,496,016</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

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

<b>Total governmental fund balances</b>		\$	126,519,810
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			152,057,735
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	4,388,956	
Accrued interest receivable		90,073	
Intergovernmental receivable		713,697	
Total		713,697	5,192,726
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			6,351,248
Unamortized premiums on bonds issued are not recognized in the funds.			(4,347,668)
Unamortized amounts on refundings are not recognized in the funds.			3,201,024
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(242,030)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - Pension		26,145,439	
Deferred Inflows - Pension		(13,912,836)	
Net pension liability		(218,022,969)	
Total		(218,022,969)	(205,790,366)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(66,222,219)	
Tax anticipation notes		(13,150,000)	
Capital lease obligations		(645,405)	
Compensated absences		(12,747,383)	
Total		(92,765,007)	(92,765,007)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>(9,822,528)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 108,350,820	\$ 7,765,302	\$ 7,907,427	\$ -	\$ 124,023,549
Payment in lieu of taxes . . . . .	3,204,684	-	-	-	3,204,684
Tuition . . . . .	1,833,293	-	-	-	1,833,293
Earnings on investments . . . . .	974,105	-	-	6,839	980,944
Charges for services . . . . .	-	-	-	2,212,531	2,212,531
Extracurricular . . . . .	736,460	-	-	752,604	1,489,064
Classroom materials and fees . . . . .	396,324	-	-	-	396,324
Rental income . . . . .	756,538	-	5,120	-	761,658
Contributions and donations . . . . .	82,312	-	-	159,537	241,849
Other local revenues . . . . .	76,492	-	-	21,182	97,674
Intergovernmental - state . . . . .	55,553,364	827,129	888,227	1,773,105	59,041,825
Intergovernmental - federal . . . . .	190,501	-	-	8,340,966	8,531,467
Total revenues . . . . .	<u>172,154,893</u>	<u>8,592,431</u>	<u>8,800,774</u>	<u>13,266,764</u>	<u>202,814,862</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	69,544,797	-	-	98,840	69,643,637
Special . . . . .	23,632,322	-	-	3,175,152	26,807,474
Vocational . . . . .	334,628	-	-	47,438	382,066
Other . . . . .	367,533	-	-	140,674	508,207
Support services:					
Pupil . . . . .	13,621,404	-	-	322,476	13,943,880
Instructional staff . . . . .	4,685,935	-	-	970,281	5,656,216
Board of education . . . . .	1,018,812	-	-	-	1,018,812
Administration . . . . .	11,294,320	-	-	264,154	11,558,474
Fiscal . . . . .	2,647,718	119,818	120,258	37,395	2,925,189
Business . . . . .	1,118,033	-	-	-	1,118,033
Operations and maintenance . . . . .	12,363,965	-	-	5,984	12,369,949
Pupil transportation . . . . .	7,528,893	-	-	5,958	7,534,851
Central . . . . .	1,838,333	-	-	37,800	1,876,133
Operation of non-instructional services:					
Other operation of non-instructional . . . . .	86,401	-	-	1,469,172	1,555,573
Food service operations . . . . .	-	-	-	5,146,018	5,146,018
Extracurricular activities . . . . .	2,301,806	-	-	870,086	3,171,892
Facilities acquisition and construction . . . . .	1,849,730	-	8,392,273	-	10,242,003
Capital outlay . . . . .	750,440	-	-	-	750,440
Debt service:					
Principal retirement . . . . .	105,035	8,335,000	-	-	8,440,035
Interest and fiscal charges . . . . .	29,292	3,051,849	-	-	3,081,141
Total expenditures . . . . .	<u>155,119,397</u>	<u>11,506,667</u>	<u>8,512,531</u>	<u>12,591,428</u>	<u>187,730,023</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>17,035,496</u>	<u>(2,914,236)</u>	<u>288,243</u>	<u>675,336</u>	<u>15,084,839</u>
<b>Other financing sources (uses):</b>					
Sale of assets . . . . .	37,247	-	166,276	294	203,817
Transfers in . . . . .	-	2,958,094	65,000	-	3,023,094
Transfers (out) . . . . .	(65,000)	-	(2,958,094)	-	(3,023,094)
Inception of capital lease . . . . .	750,440	-	-	-	750,440
Total other financing sources (uses) . . . . .	<u>722,687</u>	<u>2,958,094</u>	<u>(2,726,818)</u>	<u>294</u>	<u>954,257</u>
Net change in fund balances . . . . .	17,758,183	43,858	(2,438,575)	675,630	16,039,096
<b>Fund balances at beginning of year . . . . .</b>	<u>90,790,558</u>	<u>8,418,185</u>	<u>8,974,070</u>	<u>2,297,901</u>	<u>110,480,714</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 108,548,741</u>	<u>\$ 8,462,043</u>	<u>\$ 6,535,495</u>	<u>\$ 2,973,531</u>	<u>\$ 126,519,810</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<b>Net change in fund balances - total governmental funds</b>	\$	16,039,096
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 7,841,493	
Current year depreciation	(7,432,106)	
Total		409,387
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(29,580)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(259,841)	
Earnings on investments	(6,656)	
Intergovernmental	(922,854)	
Total		(1,189,351)
Repayment of bond, note and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		8,440,035
Issuance of capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(750,440)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	18,103	
Accreted interest on capital appreciation bonds	(439,424)	
Amortization of bond premiums	602,579	
Amortization of deferred charges	(407,052)	
Total		(225,794)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		13,306,891
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(10,843,509)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(1,662,670)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities.		
		1,211,624
<b>Change in net position of governmental activities</b>	\$	24,705,689

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Real estate taxes. . . . .	\$ 103,955,547	\$ 104,242,780	\$ 104,243,544	\$ 764
Personal property taxes. . . . .	2,657,623	2,814,467	2,815,037	570
State revenue. . . . .	38,435,000	39,898,500	39,898,034	(466)
Federal revenue. . . . .	895,000	1,167,000	1,167,340	340
Homestead/Rollback. . . . .	14,140,000	14,488,526	14,487,990	(536)
Tuition, fees, interest and miscellaneous. . . . .	7,770,500	7,936,500	7,940,763	4,263
Refund of prior year expenditures. . . . .	520,000	1,403,000	1,400,209	(2,791)
<b>Total revenues . . . . .</b>	<u>168,373,670</u>	<u>171,950,773</u>	<u>171,952,917</u>	<u>2,144</u>
<b>Expenditures:</b>				
Salaries and wages	52,051,192	88,345,874	88,036,224	309,650
Benefits and insurance	20,190,920	30,311,299	30,075,527	235,772
Purchased services	21,385,422	20,664,885	20,191,422	473,463
Supplies and materials	6,367,057	6,044,880	5,794,827	250,053
New and replacement equipment	2,411,351	5,300,463	5,251,442	49,021
Other expenditures	10,027,086	9,765,627	9,659,230	106,397
<b>Total expenditures . . . . .</b>	<u>112,433,028</u>	<u>160,433,028</u>	<u>159,008,672</u>	<u>1,424,356</u>
Excess of revenues over expenditures. . . . .	<u>55,940,642</u>	<u>11,517,745</u>	<u>12,944,245</u>	<u>1,426,500</u>
Net change in fund balance . . . . .	55,940,642	11,517,745	12,944,245	1,426,500
<b>Fund balance at beginning of year . . . . .</b>	62,521,964	62,521,964	62,521,964	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,433,028</u>	<u>1,433,028</u>	<u>1,433,028</u>	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 119,895,634</u>	<u>\$ 75,472,737</u>	<u>\$ 76,899,237</u>	<u>\$ 1,426,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 8,765,429
Total assets. . . . .	<u>8,765,429</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	707
Claims payable . . . . .	1,121,173
Unearned revenue. . . . .	<u>1,292,301</u>
Total liabilities . . . . .	<u>2,414,181</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>6,351,248</u>
Total net position. . . . .	<u>\$ 6,351,248</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 19,000,280
Total operating revenues . . . . .	<u>19,000,280</u>
<b>Operating expenses:</b>	
Purchased services. . . . .	1,554,033
Materials and supplies . . . . .	240
Claims . . . . .	<u>16,235,992</u>
Total operating expenses. . . . .	<u>17,790,265</u>
Operating income. . . . .	<u>1,210,015</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	<u>1,609</u>
Total nonoperating revenues. . . . .	<u>1,609</u>
Change in net position . . . . .	1,211,624
<b>Net position at beginning of year. . . . .</b>	<u>5,139,624</u>
<b>Net position at end of year . . . . .</b>	<u><u>\$ 6,351,248</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 19,069,693
Cash payments for contractual services . . . . .	(1,750,466)
Cash payments for claims . . . . .	<u>(16,161,992)</u>
Net cash provided by operating activities . . . . .	<u>1,157,235</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>1,609</u>
Net cash provided by investing activities . . . . .	<u>1,609</u>
Net increase in cash and cash equivalents. . . . .	1,158,844
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>7,606,585</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 8,765,429</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income. . . . .	\$ 1,210,015
Changes in assets and liabilities:	
Decrease in accounts receivable. . . . .	1,141
Decrease in accounts payable. . . . .	(329)
Decrease in intergovernmental payable. . . . .	(134,210)
(Decrease) in pension obligation payable. . . . .	(499)
Increase in unearned revenue. . . . .	69,413
Increase in claims payable . . . . .	<u>11,704</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 1,157,235</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents . . . . .	\$ 39,115	\$ 428,851
Total assets. . . . .	39,115	\$ 428,851
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 2,128
Due to students. . . . .	-	252,596
Due to primary government . . . . .	-	174,127
Total liabilities . . . . .	-	\$ 428,851
<b>Net position:</b>		
Held in trust for scholarships . . . . .	39,115	
Total net position. . . . .	\$ 39,115	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Private Purpose Trust</b>	
	<hr/>	
	<b>Scholarship</b>	
	<hr/>	
<b>Additions:</b>		
Interest. . . . .	\$	78
Gifts and contributions. . . . .		14,698
Total additions. . . . .		<hr/> 14,776 <hr/>
 <b>Deductions:</b>		
Scholarships awarded . . . . .		<hr/> 19,303 <hr/>
 Change in net position . . . . .		(4,527)
<b>Net position at beginning of year. . . . .</b>		<hr/> 43,642 <hr/>
<b>Net position at end of year . . . . .</b>	\$	<hr/> <hr/> 39,115 <hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2016*

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

The Westerville City School District (the “District”) was organized in the early 1850’s and is a fiscally independent political subdivision of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five-member board and is responsible for the provision of public education to residents of the District. The District encompasses 52 square miles and provides services to approximately 14,890 students.

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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**(a) Basis of Presentation**

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

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

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

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

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

**(b) *Fund Accounting***

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

**Governmental Funds**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

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

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

Other governmental funds of the District are used to account for specific revenue sources that are restricted or committed to an expenditure for specific purposes other than debt service or capital projects.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. Charges are intended only to recoup the total costs of such services.

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

Print Shop Fund - The Print Shop Fund is used to account for the monies received for printing and duplicating services provided by the Print Shop to all District departments and various community organizations.

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

**Fiduciary Funds**

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

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

(c) ***Basis of Accounting***

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, See Note 13 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

For the District, See Note 13 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

**(d) Budgets**

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds other than agency funds. The specific timetable for the fiscal year 2016 was as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for a tax rate determination. The original budget revenue amounts reported in the budgetary statement for the General Fund reflects the amounts set forth in this tax budget.
3. Prior to March 15, the Board of Education accepts by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources (the Certificate), which states the projected revenue for each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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increases or decreases in revenue are identified by the District Treasurer. The final budget amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate issued for fiscal year 2016.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level for all funds, which is the legal level of budgetary control. This appropriation then serves as a basis for the original budget expenditure amounts reported in the budgetary statements for all funds. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, decreased or increased the originally appropriated amounts. All supplemental appropriations were legally adopted by the Board during fiscal year 2016.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level for all funds.

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

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

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

The State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940.

STAR Ohio maintains a stable net asset value (NAV) per share by using the amortized cost method of portfolio valuation. For the fiscal year ended June 30, 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to Public Fund Administrators, the co-administrator for STAR Ohio, 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day (s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interim deposits are used by the District to purchase legal investments. The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations: bank certificates of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States corporations and STAR Ohio. During fiscal year 2016, investments were limited to federal agency securities, STAR Ohio, and U.S. Government money market accounts.

Under existing statutes, all investment earnings accrue to the General Fund except earnings specifically related to the Food Service, Worker's Compensation, Private Purpose Trust and Auxiliary Funds. Interest credited to the General Fund during fiscal year 2016 was \$974,105 which includes \$217,534 assigned from other funds.

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

(f) ***Inventories***

On government-wide and fund financial statements, 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.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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Inventories are accounted for using the consumption method which means that the costs of inventory items are recorded as expenditures in the governmental funds when consumed.

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

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

**(g) *Prepaid Assets***

Payments made to vendors for services that will benefit periods beyond June 30, 2016 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

**(h) *Capital Assets and Depreciation***

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

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

All reported capital assets, with the exception of land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**(i) *Compensated Absences***

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

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

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

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

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

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

**(k) *Accrued Liabilities and Long-Term Debt***

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

For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion due for payment during the current year. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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**(l) *Interfund Transactions***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

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

**(m) *Fund Balances***

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

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

***Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016***

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

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

**(n) *Net Position***

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

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

**(o) *Pensions***

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

**(p) *Statement of Cash Flows***

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and investments of the pool are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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(q) ***Fair Market Value***

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

(r) ***Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2016, the District reported no extraordinary or special items.

**(3) ACCOUNTABILITY AND COMPLIANCE**

**(a) Change in Accounting Principles**

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

**(b) Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Other State	\$ 611
Transition program for Refugee Children	3,325

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

**(4) DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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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 in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed 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 representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**(a) Deposits with Financial Institutions**

At June 30, 2016, the carrying amount of all District deposits was \$9,648,245. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$4,750,940 of the District's bank balance of \$11,067,150 was exposed to custodial risk as discussed below, while \$6,316,210 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.

**(b) Investments**

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

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
STAR Ohio	\$ 1,749,464	\$ 1,749,464	\$ -	\$ -	\$ -	\$ -
FHLB	6,389,810	500,000	1,003,970	-	-	4,885,840
FFCB	17,505,875	-	-	5,502,685	1,000,030	11,003,160
FHLMC	12,927,087	-	-	3,010,540	5,910,407	4,006,140
FNMA	12,803,909	-	-	-	1,290,239	11,513,670
US Government Money Market	41,221,945	41,221,945	-	-	-	-
	<u>\$ 92,598,090</u>	<u>\$ 43,471,409</u>	<u>\$ 1,003,970</u>	<u>\$ 8,513,225</u>	<u>\$ 8,200,676</u>	<u>\$ 31,408,810</u>

The District's investments in federal agency securities are valued using quoted market prices (Level 1 inputs). The weighted average maturity of investments is 1.36 years.

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



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2016:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% to Total</u>
STAR Ohio	\$ 1,749,464	1.89
FHLB	6,389,810	6.9
FFCB	17,505,875	18.91
FHLMC	12,927,087	13.96
FNMA	12,803,909	13.83
US Government Money Market	<u>41,221,945</u>	<u>44.51</u>
Total	<u>\$ 92,598,090</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2016:

<u>Cash and Investments per Note</u>	
Carrying Amount of Deposits	\$ 9,648,245
Investments	<u>92,598,090</u>
Total	<u>\$ 102,246,335</u>
 <u>Cash and Investments per Financial</u>	
<u>Statements</u>	
Governmental Activities	\$ 101,778,369
Private-Purpose Trust Fund	39,115
Agency Funds	<u>428,851</u>
Total	<u>\$ 102,246,335</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**(5) PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin and Delaware Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$40,854,736 in the general fund, \$2,972,769 in the bond retirement fund and \$3,011,057 in the permanent improvement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$40,097,146 in the general fund, \$2,915,644 in the bond retirement fund and \$2,953,530 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,282,514,080	98.39	\$ 2,284,046,520	98.33
Public utility personal	<u>37,466,650</u>	<u>1.61</u>	<u>38,809,570</u>	<u>1.67</u>
Total	<u>\$ 2,319,980,730</u>	<u>100.00</u>	<u>\$ 2,322,856,090</u>	<u>100.00</u>

**(6) RECEIVABLES**

Receivables and due from other governments at June 30, 2016 consisted of taxes, accounts, payments in lieu of taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items is as follows:

**Governmental Activities:**

Taxes - Current & Delinquent	\$ 133,713,883
Payment in Lieu of Taxes	2,184,731
Accounts	153,775
Accrued Interest	157,876
Intergovernmental	<u>1,240,764</u>
Total	<u>\$ 137,451,029</u>

**(7) INTERFUND TRANSACTIONS**

(a) Interfund balances at June 30, 2016 as reported on the fund statements, consist of the following amounts receivable/payable from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$18,340

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2016 are reported on the statement of net position.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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(b) Interfund transfers for the fiscal year ended June 30, 2016, consisted of the following, as reported on the fund statements:

<u>Transfers from:</u>	<u>Transfer to:</u>	<u>Amount</u>
General	Permanent Improvement	\$ 65,000
Permanent Improvement	Debt Service	<u>2,958,094</u>
Total		<u>\$ 3,023,094</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers consisted of \$65,000 from the general fund to the permanent improvement fund to establish funds for the repairs and improvements and \$2,958,094 from the permanent improvement fund to the debt service fund in order to cover a debt payment.

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

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

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**(8) CAPITAL ASSETS**

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

	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2016</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,813,922	\$ 105,207	\$ -	\$ 5,919,129
Construction in progress	<u>-</u>	<u>4,158,853</u>	<u>-</u>	<u>4,158,853</u>
Total capital assets, not being depreciated	<u>5,813,922</u>	<u>4,264,060</u>	<u>-</u>	<u>10,077,982</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	8,991,101	186,743	-	9,177,844
Buildings and improvements	217,135,533	1,918,581	-	219,054,114
Furniture, fixtures and equipment	12,514,319	1,297,459	(296,949)	13,514,829
Vehicles	<u>9,364,831</u>	<u>174,650</u>	<u>(147,082)</u>	<u>9,392,399</u>
Total capital assets, being depreciated	<u>248,005,784</u>	<u>3,577,433</u>	<u>(444,031)</u>	<u>251,139,186</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(5,431,287)	(408,366)	-	(5,839,653)
Buildings and improvements	(83,258,886)	(4,903,743)	-	(88,162,629)
Furniture and equipment	(7,437,059)	(1,307,301)	267,369	(8,476,991)
Vehicles	<u>(6,014,546)</u>	<u>(812,696)</u>	<u>147,082</u>	<u>(6,680,160)</u>
Total accumulated depreciation	<u>(102,141,778)</u>	<u>(7,432,106)</u>	<u>414,451</u>	<u>(109,159,433)</u>
Governmental activities capital assets, net	<u>\$ 151,677,928</u>	<u>\$ 409,387</u>	<u>\$ (29,580)</u>	<u>\$ 152,057,735</u>

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 3,124,564
Special	1,015,762
Vocational	14,021
Other	16,440

Support services:

Pupil	4,028
Staff	14,781
General Administration	523,931
Board of Education	3,772
Business Services	27,132
Operations & Maintenance	651,891
Student Transportation	806,476
Central Services	798,693
Food Service Operations	73,327
Community Services	23,954
Extracurricular Activities	<u>333,334</u>

Total depreciation expense \$ 7,432,106

**(9) LONG-TERM OBLIGATIONS**

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

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance at June 30, 2016</u>
Advance Bond Refunding (1)	12/14/06	4.00-5.00%	12/01/27	48,365,000	\$45,405,000
Tax Anticipation Notes (2)	03/23/10	2.82%	12/01/20	24,415,000	13,150,000
Advance Bond Refunding (3)	08/15/12	0.45-3.04%	12/01/22	27,320,000	<u>20,817,219</u>
					<u>\$79,372,219</u>

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

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

In August 2012, the District issued \$27,320,00 of general obligation refunding bonds, Series 2012 with interest rates ranging from .45% to 3.04% (maturing from December 2012 through December 2022) to advance refund a portion of the District's outstanding general obligation bonds. This issue included an additional \$120,000 in capital appreciation bonds, with a stated interest of 65.58% (maturing December 2018). The accreted value at maturity for the capital appreciation bonds is \$4,165,000. Total accreted interest of \$902,219 on the capital appreciation bonds has been included on the statement of net position at June 30, 2016. The District defeased these general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding represents both legal and in-substance defeasance and was accounted for in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. The balance of the refunded bonds was \$19,915,000 at June 30, 2016.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and notes.

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$8,475,000	\$2,904,364
2018	8,600,000	2,717,155
2019	4,745,000	6,573,121
2020	8,360,000	2,293,395
2021	8,670,000	1,960,772
2022 - 2026	27,870,000	6,045,932
2027 - 2028	11,750,000	594,750
Total	<u>\$78,470,000</u>	<u>\$23,089,489</u>

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

The total voted and non-voted non-exempt debt of the District that could be issued subject to the 9% limitation described above is \$209,057,048. The total District debt (including the Notes) subject to this limitation is \$78,470,000. The total District unvoted debt that could be issued subject to the 1/10 of 1% limitation is \$2,322,856. The District has no debt subject to such limitation, leaving \$2,322,856, available for unvoted debt. Including the balance in the Debt Service Fund at June 30, 2016, the effects of these debt limitations at June 30, 2016 are a voted debt margin of \$139,049,091 and an unvoted debt margin of \$2,322,856.

The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with the Westerville Public Library (the Library). As of June 30, 2016, the District and the Library have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value.

In the opinion of management, the District has complied with all bond covenants.

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

See Note 13 for details on the net pension liability.

See Note 10 for details on the capital lease obligation.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
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The following changes occurred in long-term liabilities during the year:

<i>Governmental Activities</i>	Balance at			Balance at	Amounts Due
	<u>June 30, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2016</u>	<u>In One Year</u>
Net Pension Liability	\$188,043,277	\$29,979,692	\$ -	\$218,022,969	\$ -
General Obligation Bonds	71,777,795	439,424	(5,995,000)	66,222,219	6,050,000
Tax Anticipation Notes	15,490,000	-	(2,340,000)	13,150,000	2,425,000
Capital Lease Obligations	-	750,440	(105,035)	645,405	149,483
Compensated Absences	12,781,342	2,433,050	(2,099,071)	13,115,321	770,380
Total Governmental Activities	<u>\$288,092,414</u>	<u>\$33,602,606</u>	<u>\$(10,539,106)</u>	<u>311,155,914</u>	<u>\$9,394,863</u>
Add: Unamortized Premiums				<u>4,347,668</u>	
Total on Statement of Net Position				<u>\$315,503,582</u>	

**(10) CAPITAL LEASE OBLIGATION**

During 2016, the District entered into capital lease agreements for the acquisition of copiers. These leases meet the criteria of a capital lease, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements. Capital assets acquired by lease have been capitalized in the amount of \$750,440, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2016 was \$137,586, leaving a current book value of \$612,854. A corresponding liability was recorded in the statement of net position. Principal payments in the 2016 fiscal year totaled \$105,035. This amount is reflected as debt service principal retirement in the general fund and as a reduction to the long-term liability on the statement of net position.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2016:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	\$ 179,103
2018	179,103
2019	179,103
2020	<u>179,103</u>
Total minimum lease payment	716,412
Less: amount representing interest	<u>(71,007)</u>
Present value of minimum lease payments	<u>\$ 645,405</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

**(11) SET-ASIDE CALCULATIONS**

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

	<u>Capital Improvements</u>
Set-Aside Balance, July 1, 2015	\$ -
Current Year Set-Aside Requirement	2,400,333
Contributions in Excess of the Current Fiscal Year Set-Aside Requirement	-
Current Year Qualifying Expenditures	(771,422)
Excess Qualified Expenditures from Prior Years	-
Current Year Offsets	(8,738,127)
Waiver granted by ODE	-
Prior Year Offset from Bond Proceeds	-
Total	\$ (7,109,216)
Balance Carried Forward to Fiscal Year 2017	\$ -
Set-Aside Balance June 30, 2016	\$ -

**(12) BUDGET BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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

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

	<u>General fund</u>
Budget basis	\$ 12,944,245
Net adjustment for revenue accruals	(202,335)
Net adjustment for expenditure accruals	531,572
Net adjustment for other financing sources (uses)	722,687
Funds budgeted elsewhere	40,889
Adjustment for encumbrances	3,721,125
GAAP basis	<u>\$ 17,758,183</u>

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

**(13) DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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**For the Fiscal Year Ended June 30, 2016**

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

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

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was \$2,426,932 for fiscal year 2016. Of this amount, \$278,047 is reported as pension and postemployment obligation payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

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

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

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

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

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

The District's contractually required contribution to STRS was \$10,879,959 for fiscal year 2016. Of this amount, \$1,837,807 is reported as pension and postemployment obligation payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 31,230,764	\$ 186,792,205	\$ 218,022,969
Proportion of the net pension liability	0.54732270%	0.67587545%	
Pension expense	\$ 2,081,070	\$ 8,762,439	\$ 10,843,509

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 501,033	\$ 8,488,859	\$ 8,989,892
Changes in proportionate share	289,111	3,559,545	3,848,656
District contributions subsequent to the measurement date	<u>2,426,932</u>	<u>10,879,959</u>	<u>13,306,891</u>
Total deferred outflows of resources	<u>\$ 3,217,076</u>	<u>\$ 22,928,363</u>	<u>\$ 26,145,439</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 988,340</u>	<u>\$ 12,924,496</u>	<u>\$ 13,912,836</u>
Total deferred inflows of resources	<u>\$ 988,340</u>	<u>\$ 12,924,496</u>	<u>\$ 13,912,836</u>

\$13,306,891 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2017	\$ (269,342)	\$ (1,980,737)	\$ (2,250,079)
2018	(269,342)	(1,980,737)	(2,250,079)
2019	(269,342)	(1,980,737)	(2,250,079)
2020	<u>609,830</u>	<u>5,066,119</u>	<u>5,675,949</u>
Total	<u>\$ (198,196)</u>	<u>\$ (876,092)</u>	<u>\$ (1,074,288)</u>

**Actuarial Assumptions - SERS**

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

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

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

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

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

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

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

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

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



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 43,305,847	\$ 31,230,764	\$ 21,062,548

**Actuarial Assumptions - STRS**

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 259,468,463	\$ 186,792,205	\$ 125,333,590

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**(14) POSTEMPLOYMENT BENEFITS**

**(a) *School Employees Retirement System***

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$285,698.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$285,698, \$409,231, and \$305,169, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

**(b) *State Teachers Retirement System***

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$120,291, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

**(15) CONTINGENCIES**

**(a) Grants**

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

**(b) Litigation**

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

**(c) Foundation Funding**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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**(16) JOINTLY GOVERNED ORGANIZATIONS**

Meta Solutions

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

**(17) RELATED ORGANIZATION**

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

**(18) RISK MANAGEMENT**

For fiscal year 2016, the District was enrolled in the retrospective rating plan for worker's compensation. The retrospective rating plan allows an employer to assume a portion of the risk in return for a possible reduction in premiums. The greater the assumed risk, the greater the potential reduction in premiums.

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

The District's Workers' Compensation program is accounted for in the workers' compensation internal service fund which pays for all claims, claim reserves and administrative costs of the program. The general fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period. The claims liability of \$28,173 is recorded based on an actuarial determination of future claims. The claims liability is expected to be paid within one year.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District contracts with an insurance carrier for property insurance and general liability insurance. Professional liability is protected by a \$1,000,000 single occurrence limit, \$2,000,000 general aggregate limit, \$2,000,000 umbrella aggregate limit and no deductible. Vehicles are also covered and have a \$500 deductible for comprehensive and a \$2,000 deductible for collision. Automotive liability has a \$1,000,000 combined single limit of liability. Settlements have not exceeded coverage in any of the last three years, and there has been no reduction in coverage from the prior years.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding is required by the District.

The District provides life insurance and accidental death and dismemberment insurance to all employees in an amount related to the employee's position, ranging from \$30,000 to \$389,000.

The District has established a limited risk management program for hospital/medical and dental benefits. Premiums are paid into the Self-Insurance Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2016, a total expense of \$1,262,573 was incurred in administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. The liability for unpaid claims of \$1,093,000 reported at June 30, 2016 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling claims. The District anticipates that these claims will be paid in the next fiscal year and has reported the entire liability as due within one year on the Statement of Net Position.

Changes in the fund's claims liability amount in 2016 was:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2016	\$ 1,019,000	\$ 16,235,992	\$ (16,161,992)	\$ 1,093,000
2015	943,000	16,317,032	(16,241,032)	1,019,000

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2016*

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**(19) CONTRACTUAL COMMITMENTS**

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

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Triad Facilities Solutions	Renovations	\$ 234,295
Wenger Corporation	Renovations	3,981
Accent Drapery Co	Shades	28,905
Brookside Construction Service	Renovations	97,850
Continental Office Environment	Renovations	44,408
Echo 24, Inc.	Renovations	16,127
LEPI Enterprises	Renovations	41,036
Regal Plumbing and Heating	Renovations	355,084
Sheedy Paving Inc.	Paving	361,077
Staples Advantage	Furniture	264,004
Garland/DBS Inc.	Renovations	<u>57,729</u>
Total		<u>\$ 1,504,496</u>

**(20) OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 2,902,792
Permanent Improvement Fund	1,442,285
Nonmajor Governmental Funds	<u>418,540</u>
Total	<u>\$ 4,763,617</u>

**(21) SIGNIFICANT SUBSEQUENT EVENT**

The District issued \$23,040,000 in refunding bonds on September 1, 2016. The bonds have an interest rate of 2.665% and a final maturity date of December 1, 2023. The proceeds of the bonds were used to refund \$23,040,000 of the 2006 refunding bonds. This refunding resulted in a net present value savings of \$1,238,815.

REQUIRED SUPPLEMENTARY INFORMATION



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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.54732270%	0.53978500%	0.53978500%
District's proportionate share of the net pension liability	\$ 31,230,764	\$ 27,318,212	\$ 32,099,282
District's covered-employee payroll	\$ 16,476,768	\$ 15,685,072	\$ 15,546,734
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	206.47%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.67587545%	0.66078200%	0.66078200%
District's proportionate share of the net pension liability	\$ 186,792,205	\$ 160,725,065	\$ 191,454,646
District's covered-employee payroll	\$ 71,475,893	\$ 67,515,746	\$ 69,241,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	261.34%	238.06%	276.50%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,426,932	\$ 2,171,638	\$ 2,173,951	\$ 2,151,668	\$ 2,323,325
Contributions in relation to the contractually required contribution	<u>(2,426,932)</u>	<u>(2,171,638)</u>	<u>(2,173,951)</u>	<u>(2,151,668)</u>	<u>(2,323,325)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 17,335,229	\$ 16,476,768	\$ 15,685,072	\$ 15,546,734	\$ 17,273,792
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,255,906	\$ 2,348,656	\$ 1,598,077	\$ 1,533,219	\$ 1,570,887
<u>(2,255,906)</u>	<u>(2,348,656)</u>	<u>(1,598,077)</u>	<u>(1,533,219)</u>	<u>(1,570,887)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,946,746	\$ 17,346,056	\$ 16,240,620	\$ 15,613,228	\$ 14,708,680
12.57%	13.54%	9.84%	9.82%	10.68%

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 10,879,959	\$ 10,006,625	\$ 8,777,047	\$ 9,001,330	\$ 9,878,070
Contributions in relation to the contractually required contribution	<u>(10,879,959)</u>	<u>(10,006,625)</u>	<u>(8,777,047)</u>	<u>(9,001,330)</u>	<u>(9,878,070)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 77,713,993	\$ 71,475,893	\$ 67,515,746	\$ 69,241,000	\$ 75,985,154
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 10,061,429	\$ 9,476,887	\$ 9,318,639	\$ 8,857,181	\$ 8,175,566
<u>(10,061,429)</u>	<u>(9,476,887)</u>	<u>(9,318,639)</u>	<u>(8,857,181)</u>	<u>(8,175,566)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 77,395,608	\$ 72,899,131	\$ 71,681,838	\$ 68,132,162	\$ 62,888,969
13.00%	13.00%	13.00%	13.00%	13.00%

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

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

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

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

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

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

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



COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**MAJOR FUNDS**

**General Fund**

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

**Other Major Funds**

**Debt Service Fund**

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

**Permanent Improvement Fund**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Debt Service</b>				
Total revenue and other sources . . . . .	\$ 11,068,094	\$ 11,493,394	\$ 11,493,400	\$ 6
Total expenditures and other uses . . . . .	11,506,850	11,506,850	11,506,668	182
Net change in fund balance . . . . .	(438,756)	(13,456)	(13,268)	188
Fund balance at beginning of year . . . . .	5,502,542	5,502,542	5,502,542	-
Fund balance at end of year . . . . .	<u>\$ 5,063,786</u>	<u>\$ 5,489,086</u>	<u>\$ 5,489,274</u>	<u>\$ 188</u>
<b>Permanent Improvement</b>				
Total revenue and other sources . . . . .	\$ 9,015,000	\$ 8,975,201	\$ 8,974,523	\$ (678)
Total expenditures and other uses . . . . .	13,338,875	13,338,875	13,153,242	185,633
Net change in fund balance . . . . .	(4,323,875)	(4,363,674)	(4,178,719)	184,955
Fund balance at beginning of year . . . . .	1,625,431	1,625,431	1,625,431	-
Prior year encumbrances appropriated . . . . .	4,177,536	4,177,536	4,177,536	-
Fund balance at end of year . . . . .	<u>\$ 1,479,092</u>	<u>\$ 1,439,293</u>	<u>\$ 1,624,248</u>	<u>\$ 184,955</u>

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

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

**Food Service**

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

**Other Local**

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

**District Managed**

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

**Auxiliary Services**

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

**Data Communications**

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

**Alternative Schools**

A fund used to account for monies received from the State of Ohio for alternative educational programs for existing and new at-risk and delinquent youth.

**Straight A**

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

**Other State**

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

**IDEA, Part B**

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

**Vocational Education: Carl D. Perkins**

This fund is provided to account for Federal monies received for expenses relating to the development of secondary vocational educational programs.

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

**Nonmajor Special Revenue Funds (Continued)**

**Title III**

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

**Transition Program for Refugee Children**

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

**Title I**

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

**Preschool Handicapped**

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

**Title II-A**

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

**Miscellaneous Federal Grants**

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

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

**Uniform School Supplies**

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

**Public School Support**

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

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>Special Revenue</u>			
	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxilliary Services</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 2,265,512	\$ 25,630	\$ 717,302	\$ 363,945
Receivables:				
Accounts . . . . .	7,078	-	-	-
Intergovernmental. . . . .	-	-	-	-
Materials and supplies inventory. . . . .	9,513	-	-	-
Inventory held for resale. . . . .	19,313	-	-	-
Total assets . . . . .	<u>\$ 2,301,416</u>	<u>\$ 25,630</u>	<u>\$ 717,302</u>	<u>\$ 363,945</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 108,400	\$ 1,408	\$ 17,251	\$ 69,993
Accrued wages and benefits payable . . . . .	137,208	-	-	42,478
Compensated absences payable. . . . .	9,527	-	-	-
Interfund loans payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	1,728	-	-	508
Pension and postemployment obligation payable . . . . .	58,256	-	18,356	10,079
Total liabilities. . . . .	<u>315,119</u>	<u>1,408</u>	<u>35,607</u>	<u>123,058</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	9,513	-	-	-
Restricted:				
Food service operations . . . . .	1,976,784	-	-	-
Non-public schools . . . . .	-	-	-	240,887
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Vocational education. . . . .	-	-	-	-
Extracurricular. . . . .	-	-	681,695	-
Other purposes. . . . .	-	24,222	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>1,986,297</u>	<u>24,222</u>	<u>681,695</u>	<u>240,887</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,301,416</u>	<u>\$ 25,630</u>	<u>\$ 717,302</u>	<u>\$ 363,945</u>



**Special Revenue**

<b>Alternative Schools</b>	<b>Other State</b>	<b>IDEA, Part B</b>	<b>Vocational Education: Carl D. Perkins</b>	<b>Title III</b>	<b>Transition Program for Refugee Children</b>	<b>Title I</b>	<b>Preschool Handicapped</b>
\$ -	\$ -	\$ 9,215	\$ 36,303	\$ 306	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
11,265	5,600	195,390	-	29,132	2,086	219,067	3,839
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 11,265</u>	<u>\$ 5,600</u>	<u>\$ 204,605</u>	<u>\$ 36,303</u>	<u>\$ 29,438</u>	<u>\$ 2,086</u>	<u>\$ 219,067</u>	<u>\$ 3,839</u>
\$ -	\$ 1,158	\$ 1,563	\$ 9,517	\$ 4,827	\$ 650	\$ 1,672	\$ -
9,591	4,014	160,095	-	14,093	-	172,520	2,855
-	-	-	-	-	-	-	-
2	5	-	-	-	4,761	8,658	4
125	53	1,896	-	182	-	2,153	31
919	981	36,130	-	2,719	-	33,448	551
<u>10,637</u>	<u>6,211</u>	<u>199,684</u>	<u>9,517</u>	<u>21,821</u>	<u>5,411</u>	<u>218,451</u>	<u>3,441</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,921	-	-	-	-	398
-	-	-	-	-	-	616	-
-	-	-	26,786	-	-	-	-
-	-	-	-	-	-	-	-
628	-	-	-	7,617	-	-	-
-	(611)	-	-	-	(3,325)	-	-
<u>628</u>	<u>(611)</u>	<u>4,921</u>	<u>26,786</u>	<u>7,617</u>	<u>(3,325)</u>	<u>616</u>	<u>398</u>
<u>\$ 11,265</u>	<u>\$ 5,600</u>	<u>\$ 204,605</u>	<u>\$ 36,303</u>	<u>\$ 29,438</u>	<u>\$ 2,086</u>	<u>\$ 219,067</u>	<u>\$ 3,839</u>

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Total Other Governmental Funds</u>
	<u>Title II - A</u>	
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 3,418,213
Receivables:		
Accounts . . . . .	-	7,078
Intergovernmental. . . . .	28,857	495,236
Materials and supplies inventory. . . . .	-	9,513
Inventory held for resale. . . . .	-	19,313
Total assets . . . . .	<u>\$ 28,857</u>	<u>\$ 3,949,353</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 4,000	\$ 220,439
Accrued wages and benefits payable . . . . .	13,446	556,300
Compensated absences payable. . . . .	-	9,527
Interfund loans payable. . . . .	4,910	18,340
Intergovernmental payable . . . . .	160	6,836
Pension and postemployment obligation payable . . . . .	2,941	164,380
Total liabilities. . . . .	<u>25,457</u>	<u>975,822</u>
<b>Fund balances:</b>		
Nonspendable:		
Materials and supplies inventory. . . . .	-	9,513
Restricted:		
Food service operations . . . . .	-	1,976,784
Non-public schools . . . . .	-	240,887
Special education . . . . .	-	5,319
Targeted academic assistance . . . . .	3,400	4,016
Vocational education. . . . .	-	26,786
Extracurricular. . . . .	-	681,695
Other purposes. . . . .	-	32,467
Unassigned (deficit) . . . . .	-	(3,936)
Total fund balances (deficit) . . . . .	<u>3,400</u>	<u>2,973,531</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 28,857</u>	<u>\$ 3,949,353</u>

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Special Revenue

	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxilliary Services</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 5,650	\$ -	\$ -	\$ 1,189
Charges for services . . . . .	2,212,531	-	-	-
Extracurricular . . . . .	-	-	752,604	-
Contributions and donations . . . . .	-	54,574	104,963	-
Other local revenues . . . . .	6,822	-	14,360	-
Intergovernmental - state . . . . .	51,105	-	-	1,082,545
Intergovernmental - federal . . . . .	3,373,608	-	-	-
Total revenues . . . . .	<u>5,649,716</u>	<u>54,574</u>	<u>871,927</u>	<u>1,083,734</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	47,475	-	-
Special . . . . .	-	7,710	-	-
Vocational . . . . .	-	-	-	-
Other . . . . .	-	99	-	-
Support services:				
Pupil . . . . .	-	2,782	-	-
Instructional staff . . . . .	-	7,017	-	-
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	27,308
Operations and maintenance . . . . .	-	5,984	-	-
Pupil transportation . . . . .	-	364	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	-	-	873,169
Food service operations . . . . .	5,146,018	-	-	-
Extracurricular activities . . . . .	-	-	870,086	-
Total expenditures . . . . .	<u>5,146,018</u>	<u>71,431</u>	<u>870,086</u>	<u>900,477</u>
Excess of revenues over (under) expenditures . . . . .	503,698	(16,857)	1,841	183,257
<b>Other financing sources:</b>				
Sale of assets . . . . .	294	-	-	-
Total other financing sources . . . . .	<u>294</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances . . . . .	503,992	(16,857)	1,841	183,257
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<u>1,482,305</u>	<u>41,079</u>	<u>679,854</u>	<u>57,630</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 1,986,297</u>	<u>\$ 24,222</u>	<u>\$ 681,695</u>	<u>\$ 240,887</u>

**Special Revenue**

<b>Data Commu- nications</b>	<b>Alternative Schools</b>	<b>Straight A</b>	<b>Other State</b>	<b>IDEA, Part B</b>	<b>Vocational Education: Carl D. Perkins</b>	<b>Title III</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,800	51,549	498,110	51,996	-	-	-
-	-	-	-	2,467,533	77,528	254,778
<u>37,800</u>	<u>51,549</u>	<u>498,110</u>	<u>51,996</u>	<u>2,467,533</u>	<u>77,528</u>	<u>254,778</u>
-	51,164	-	-	-	-	-
-	-	-	-	1,644,860	-	240,740
-	-	-	-	-	47,438	-
-	-	-	-	140,575	-	-
-	-	-	27,639	252,055	-	-
-	-	18,232	-	138,090	25,498	4,413
-	-	-	-	260,304	3,850	-
-	-	-	-	-	10,087	-
-	-	-	-	-	-	-
-	-	-	-	-	5,500	-
37,800	-	-	-	-	-	-
-	-	479,737	24,929	48,058	-	2,281
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>37,800</u>	<u>51,164</u>	<u>497,969</u>	<u>52,568</u>	<u>2,483,942</u>	<u>92,373</u>	<u>247,434</u>
-	385	141	(572)	(16,409)	(14,845)	7,344
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	385	141	(572)	(16,409)	(14,845)	7,344
-	243	(141)	(39)	21,330	41,631	273
<u>\$ -</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ (611)</u>	<u>\$ 4,921</u>	<u>\$ 26,786</u>	<u>\$ 7,617</u>

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Special Revenue</b>			
	<b>Transition Program for Refugee Children</b>	<b>Title I</b>	<b>Preschool Handicapped</b>	<b>Title II - A</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	29,883	1,842,658	30,715	264,263
<b>Total revenues . . . . .</b>	<b>29,883</b>	<b>1,842,658</b>	<b>30,715</b>	<b>264,263</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	201
Special . . . . .	20,615	1,234,031	27,196	-
Vocational . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	40,000	-	-
Instructional staff . . . . .	-	529,040	-	247,991
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	94	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	26,747	-	14,251
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>20,615</b>	<b>1,829,912</b>	<b>27,196</b>	<b>262,443</b>
Excess of revenues over (under) expenditures . . . . .	9,268	12,746	3,519	1,820
<b>Other financing sources:</b>				
Sale of assets . . . . .	-	-	-	-
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>9,268</b>	<b>12,746</b>	<b>3,519</b>	<b>1,820</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>(12,593)</b>	<b>(12,130)</b>	<b>(3,121)</b>	<b>1,580</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (3,325)</b>	<b>\$ 616</b>	<b>\$ 398</b>	<b>\$ 3,400</b>

**Total  
Other  
Governmental  
Funds**

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\$ 6,839  
2,212,531  
752,604  
159,537  
21,182  
1,773,105  
8,340,966  

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13,266,764

98,840  
3,175,152  
47,438  
140,674

322,476  
970,281  
264,154  
37,395  
5,984  
5,958  
37,800

1,469,172  
5,146,018  
870,086

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12,591,428

675,336

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294

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294

675,630

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2,297,901

\$ 2,973,531

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Special Revenue</b>				
<b>Food Service</b>				
Total revenue and other sources. . . . .	\$ 4,799,750	\$ 5,293,350	\$ 5,292,400	\$ (950)
Total expenditures and other uses . . . . .	<u>5,654,041</u>	<u>5,134,041</u>	<u>5,015,595</u>	<u>118,446</u>
Net change in fund balance . . . . .	(854,291)	159,309	276,805	117,496
Fund balance at beginning of year. . . . .	1,462,103	1,462,103	1,462,103	-
Prior year encumbrances appropriated. . . . .	229,041	229,041	229,041	-
Fund balance at end of year . . . . .	<u>\$ 836,853</u>	<u>\$ 1,850,453</u>	<u>\$ 1,967,949</u>	<u>\$ 117,496</u>
<b>Uniform School Supplies</b>				
Total revenue and other sources. . . . .	\$ 171,675	\$ 154,675	\$ 136,429	\$ (18,246)
Total expenditures and other uses . . . . .	<u>151,674</u>	<u>146,784</u>	<u>135,429</u>	<u>11,355</u>
Net change in fund balance . . . . .	20,001	7,891	1,000	(6,891)
Fund balance at beginning of year. . . . .	(4,141)	(4,141)	(4,141)	-
Prior year encumbrances appropriated. . . . .	4,141	4,141	4,141	-
Fund balance at end of year . . . . .	<u>\$ 20,001</u>	<u>\$ 7,891</u>	<u>\$ 1,000</u>	<u>\$ (6,891)</u>
<b>Public School Support</b>				
Total revenue and other sources. . . . .	\$ 204,765	\$ 258,515	\$ 296,527	\$ 38,012
Total expenditures and other uses . . . . .	<u>307,635</u>	<u>304,139</u>	<u>264,993</u>	<u>39,146</u>
Net change in fund balance . . . . .	(102,870)	(45,624)	31,534	77,158
Fund balance at beginning of year. . . . .	281,420	281,420	281,420	-
Prior year encumbrances appropriated. . . . .	7,636	7,636	7,636	-
Fund balance at end of year . . . . .	<u>\$ 186,186</u>	<u>\$ 243,432</u>	<u>\$ 320,590</u>	<u>\$ 77,158</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Other Local</b>				
Total revenue and other sources . . . . .	\$ 75,000	\$ 115,612	\$ 57,356	\$ (58,256)
Total expenditures and other uses . . . . .	84,937	91,337	76,254	15,083
Net change in fund balance . . . . .	(9,937)	24,275	(18,898)	(43,173)
Fund balance at beginning of year . . . . .	33,824	33,824	33,824	-
Prior year encumbrances appropriated . . . . .	6,938	6,938	6,938	-
Fund balance at end of year . . . . .	<u>\$ 30,825</u>	<u>\$ 65,037</u>	<u>\$ 21,864</u>	<u>\$ (43,173)</u>
<b>District Managed</b>				
Total revenue and other sources . . . . .	\$ 731,150	\$ 897,911	\$ 871,927	\$ (25,984)
Total expenditures and other uses . . . . .	1,066,919	1,001,919	846,748	155,171
Net change in fund balance . . . . .	(335,769)	(104,008)	25,179	129,187
Fund balance at beginning of year . . . . .	667,422	667,422	667,422	-
Prior year encumbrances appropriated . . . . .	16,919	16,919	16,919	-
Fund balance at end of year . . . . .	<u>\$ 348,572</u>	<u>\$ 580,333</u>	<u>\$ 709,520</u>	<u>\$ 129,187</u>
<b>Auxiliary Services</b>				
Total revenue and other sources . . . . .	\$ 1,200,000	\$ 1,083,194	\$ 1,083,734	\$ 540
Total expenditures and other uses . . . . .	1,435,009	1,386,405	1,147,462	238,943
Net change in fund balance . . . . .	(235,009)	(303,211)	(63,728)	239,483
Fund balance at beginning of year . . . . .	68,424	68,424	68,424	-
Prior year encumbrances appropriated . . . . .	235,009	235,009	235,009	-
Fund balance at end of year . . . . .	<u>\$ 68,424</u>	<u>\$ 222</u>	<u>\$ 239,705</u>	<u>\$ 239,483</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Data Communications</b>				
Total revenue and other sources . . . . .	\$ 37,800	\$ 37,800	\$ 37,800	\$ -
Total expenditures and other uses . . . . .	37,800	37,800	37,800	-
Net change in fund balance . . . . .	-	-	-	-
Fund balance at beginning of year . . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Alternative Schools</b>				
Total revenue and other sources . . . . .	\$ 55,912	\$ 58,612	\$ 47,348	\$ (11,264)
Total expenditures and other uses . . . . .	49,349	58,270	47,008	11,262
Net change in fund balance . . . . .	6,563	342	340	(2)
Fund balance at beginning of year . . . . .	(1,342)	(1,342)	(1,342)	-
Prior year encumbrances appropriated . . . . .	1,000	1,000	1,000	-
Fund balance at end of year . . . . .	<u>\$ 6,221</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ (2)</u>
<b>Straight A</b>				
Total revenue and other sources . . . . .	\$ 3,625,000	\$ 3,571,063	\$ 3,571,063	\$ -
Total expenditures and other uses . . . . .	3,479,635	3,426,650	3,426,650	-
Net change in fund balance . . . . .	145,365	144,413	144,413	-
Fund balance at beginning of year . . . . .	(3,624,048)	(3,624,048)	(3,624,048)	-
Prior year encumbrances appropriated . . . . .	3,479,635	3,479,635	3,479,635	-
Fund balance at end of year . . . . .	<u>\$ 952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Other State</b>				
Total revenue and other sources . . . . .	\$ 51,744	\$ 55,670	\$ 50,069	\$ (5,601)
Total expenditures and other uses . . . . .	48,637	55,343	50,905	4,438
Net change in fund balance . . . . .	3,107	327	(836)	(1,163)
Fund balance at beginning of year . . . . .	(615)	(615)	(615)	-
Prior year encumbrances appropriated . . . . .	288	288	288	-
Fund balance at end of year . . . . .	<u>\$ 2,780</u>	<u>\$ -</u>	<u>\$ (1,163)</u>	<u>\$ (1,163)</u>
<b>IDEA, Part B</b>				
Total revenue and other sources . . . . .	\$ 3,192,837	\$ 3,192,955	\$ 2,574,267	\$ (618,688)
Total expenditures and other uses . . . . .	2,668,714	3,185,330	2,590,945	594,385
Net change in fund balance . . . . .	524,123	7,625	(16,678)	(24,303)
Fund balance at beginning of year . . . . .	(228,743)	(228,743)	(228,743)	-
Prior year encumbrances appropriated . . . . .	221,120	221,120	221,120	-
Fund balance at end of year . . . . .	<u>\$ 516,500</u>	<u>\$ 2</u>	<u>\$ (24,301)</u>	<u>\$ (24,303)</u>
<b>Vocational Education: Carl D. Perkins</b>				
Total revenue and other sources . . . . .	\$ 77,760	\$ 77,528	\$ 77,528	\$ -
Total expenditures and other uses . . . . .	98,692	99,415	99,187	228
Net change in fund balance . . . . .	(20,932)	(21,887)	(21,659)	228
Fund balance at beginning of year . . . . .	955	955	955	-
Prior year encumbrances appropriated . . . . .	20,932	20,932	20,932	-
Fund balance at end of year . . . . .	<u>\$ 955</u>	<u>\$ -</u>	<u>\$ 228</u>	<u>\$ 228</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Title III</b>				
Total revenue and other sources . . . . .	\$ 211,399	\$ 291,395	\$ 259,485	\$ (31,910)
Total expenditures and other uses . . . . .	181,897	289,358	265,907	(23,451)
Net change in fund balance . . . . .	29,502	2,037	(6,422)	(8,459)
Fund balance at beginning of year . . . . .	(10,503)	(10,503)	(10,503)	-
Prior year encumbrances appropriated . . . . .	8,466	8,466	8,466	-
Fund balance at end of year . . . . .	<u>\$ 27,465</u>	<u>\$ -</u>	<u>\$ (8,459)</u>	<u>\$ (8,459)</u>
<b>Transition Program for Refugee Children</b>				
Total revenue and other sources . . . . .	\$ 26,099	\$ 37,876	\$ 27,797	\$ (10,079)
Total expenditures and other uses . . . . .	13,050	25,283	21,175	4,108
Net change in fund balance . . . . .	13,049	12,593	6,622	(5,971)
Fund balance at beginning of year . . . . .	(12,593)	(12,593)	(12,593)	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ 456</u>	<u>\$ -</u>	<u>\$ (5,971)</u>	<u>\$ (5,971)</u>
<b>Title I</b>				
Total revenue and other sources . . . . .	\$ 2,372,203	\$ 2,404,586	\$ 1,821,911	\$ (582,675)
Total expenditures and other uses . . . . .	1,978,130	2,397,531	1,842,295	555,236
Net change in fund balance . . . . .	394,073	7,055	(20,384)	(27,439)
Fund balance at beginning of year . . . . .	(24,572)	(24,572)	(24,572)	-
Prior year encumbrances appropriated . . . . .	17,518	17,518	17,518	-
Fund balance at end of year . . . . .	<u>\$ 387,019</u>	<u>\$ 1</u>	<u>\$ (27,438)</u>	<u>\$ (27,439)</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Preschool Handicapped</b>				
Total revenue and other sources . . . . .	\$ 36,257	\$ 36,527	\$ 32,133	\$ (4,394)
Total expenditures and other uses . . . . .	31,000	33,525	29,689	3,836
Net change in fund balance . . . . .	5,257	3,002	2,444	(558)
Fund balance at beginning of year . . . . .	(2,447)	(2,447)	(2,447)	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ 2,810</u>	<u>\$ 555</u>	<u>\$ (3)</u>	<u>\$ (558)</u>
<b>Title II-A</b>				
Total revenue and other sources . . . . .	\$ 362,481	\$ 375,688	\$ 282,573	\$ (93,115)
Total expenditures and other uses . . . . .	262,656	350,460	284,406	66,054
Net change in fund balance . . . . .	99,825	25,228	(1,833)	(27,061)
Fund balance at beginning of year . . . . .	(39,058)	(39,058)	(39,058)	-
Prior year encumbrances appropriated . . . . .	13,990	13,990	13,990	-
Fund balance at end of year . . . . .	<u>\$ 74,757</u>	<u>\$ 160</u>	<u>\$ (26,901)</u>	<u>\$ (27,061)</u>
<b>Miscellaneous Federal Grants</b>				
Total revenue and other sources . . . . .	\$ -	\$ 6,367	\$ -	\$ (6,367)
Total expenditures and other uses . . . . .	-	6,367	6,367	-
Net change in fund balance . . . . .	-	-	(6,367)	(6,367)
Fund balance at beginning of year . . . . .	-	-	-	-
Prior year encumbrances appropriated . . . . .	-	-	-	-
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,367)</u>	<u>\$ (6,367)</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO  
INTERNAL SERVICE FUNDS**

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

**Self Insurance**

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

**Print Shop**

This fund is used to account for monies received for printing and duplicating services provided by the Print Shop to all District departments and various community organizations. During 2016, the District closed this fund.

**Worker's Compensation**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2016

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 8,452,118	\$ 313,311	\$ 8,765,429
Total assets . . . . .	<u>8,452,118</u>	<u>313,311</u>	<u>8,765,429</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	707	-	707
Unearned revenue. . . . .	1,292,301	-	1,292,301
Claims payable . . . . .	<u>1,093,000</u>	<u>28,173</u>	<u>1,121,173</u>
Total liabilities . . . . .	<u>2,386,008</u>	<u>28,173</u>	<u>2,414,181</u>
<b>Net Position:</b>			
Unrestricted . . . . .	<u>6,066,110</u>	<u>285,138</u>	<u>6,351,248</u>
Total net position . . . . .	<u>\$ 6,066,110</u>	<u>\$ 285,138</u>	<u>\$ 6,351,248</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Self Insurance</u>	<u>Print Shop</u>	<u>Worker's Compensation</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for services. . . . .	\$ 18,432,656	\$ -	\$ 567,624	\$ 19,000,280
Total operating revenues . . . . .	<u>18,432,656</u>	<u>-</u>	<u>567,624</u>	<u>19,000,280</u>
<b>Operating expenses:</b>				
Purchased services. . . . .	1,262,573	-	291,460	1,554,033
Materials and supplies . . . . .	-	240	-	240
Claims. . . . .	<u>16,235,992</u>	<u>-</u>	<u>-</u>	<u>16,235,992</u>
Total operating expenses. . . . .	<u>17,498,565</u>	<u>240</u>	<u>291,460</u>	<u>17,790,265</u>
Operating income (loss). . . . .	<u>934,091</u>	<u>(240)</u>	<u>276,164</u>	<u>1,210,015</u>
<b>Nonoperating revenues:</b>				
Interest revenue. . . . .	-	-	1,609	1,609
Total nonoperating revenues. . . . .	<u>-</u>	<u>-</u>	<u>1,609</u>	<u>1,609</u>
Change in net position. . . . .	934,091	(240)	277,773	1,211,624
<b>Net position at beginning of year. . . . .</b>	<u>5,132,019</u>	<u>240</u>	<u>7,365</u>	<u>5,139,624</u>
<b>Net position at end of year. . . . .</b>	<u>\$ 6,066,110</u>	<u>\$ -</u>	<u>\$ 285,138</u>	<u>\$ 6,351,248</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Self Insurance</b>	<b>Print Shop</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from charges for services. . . . .	\$ 18,502,069	\$ -	\$ 567,624	\$ 19,069,693
Cash payments for purchased services . . . . .	(1,262,555)	-	(487,911)	(1,750,466)
Cash payments for claims. . . . .	(16,161,992)	-	-	(16,161,992)
Net cash provided by operating activities. . . . .	<u>1,077,522</u>	<u>-</u>	<u>79,713</u>	<u>1,157,235</u>
<b>Cash flows from investing activities:</b>				
Interest received . . . . .	-	-	1,609	1,609
Net cash provided by investing activities. . . . .	<u>-</u>	<u>-</u>	<u>1,609</u>	<u>1,609</u>
Net increase in cash and cash equivalents. . . . .	1,077,522	-	81,322	1,158,844
<b>Cash and cash equivalents at beginning of year . . . .</b>	<u>7,374,596</u>	<u>-</u>	<u>231,989</u>	<u>7,606,585</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 8,452,118</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 313,311</u></u>	<u><u>\$ 8,765,429</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss) . . . . .	\$ 934,091	\$ (240)	\$ 276,164	\$ 1,210,015
Changes in assets and liabilities:				
Decrease in accounts receivable . . . . .	-	1,141	-	1,141
Increase (decrease) in accounts payable. . . . .	18	(347)	-	(329)
(Decrease) in intergovernmental payable. . . . .	-	(55)	(134,155)	(134,210)
Increase in unearned revenue. . . . .	69,413	-	-	69,413
Decrease in pension obligation payable. . . . .	-	(499)	-	(499)
Increase (decrease) in claims payable. . . . .	74,000	-	(62,296)	11,704
Net cash provided by operating activities . . . . .	<u><u>\$ 1,077,522</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 79,713</u></u>	<u><u>\$ 1,157,235</u></u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**AGENCY FUNDS**

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

**District Agency**

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

**Student Managed Activity**

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

**Section 125 Cafeteria Plan**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance June 30, 2016</u>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 170,960	\$ 18,985	\$ 30,065	\$ 159,880
Total assets . . . . .	<u>\$ 170,960</u>	<u>\$ 18,985</u>	<u>\$ 30,065</u>	<u>\$ 159,880</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 380	\$ -	\$ 380
Due to primary government. . . . .	170,960	18,605	30,065	159,500
Total liabilities . . . . .	<u>\$ 170,960</u>	<u>\$ 18,985</u>	<u>\$ 30,065</u>	<u>\$ 159,880</u>
<b>Student Managed Activity</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 230,653	\$ 246,575	\$ 222,884	\$ 254,344
Total assets . . . . .	<u>\$ 230,653</u>	<u>\$ 246,575</u>	<u>\$ 222,884</u>	<u>\$ 254,344</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,557	\$ 1,748	\$ 2,557	\$ 1,748
Due to students . . . . .	228,096	244,827	220,327	252,596
Total liabilities . . . . .	<u>\$ 230,653</u>	<u>\$ 246,575</u>	<u>\$ 222,884</u>	<u>\$ 254,344</u>
<b>Section 125 Cafeteria Plan</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 39,534	\$ -	\$ 24,907	\$ 14,627
Total assets . . . . .	<u>\$ 39,534</u>	<u>\$ -</u>	<u>\$ 24,907</u>	<u>\$ 14,627</u>
<b>Liabilities:</b>				
Due to primary government. . . . .	\$ 39,534	\$ -	\$ 24,907	\$ 14,627
Total liabilities . . . . .	<u>\$ 39,534</u>	<u>\$ -</u>	<u>\$ 24,907</u>	<u>\$ 14,627</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 441,147	\$ 265,560	\$ 277,856	\$ 428,851
Total assets . . . . .	<u>\$ 441,147</u>	<u>\$ 265,560</u>	<u>\$ 277,856</u>	<u>\$ 428,851</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,557	\$ 2,128	\$ 2,557	\$ 2,128
Due to students . . . . .	228,096	244,827	220,327	252,596
Due to primary government. . . . .	210,494	18,605	54,972	174,127
Total liabilities . . . . .	<u>\$ 441,147</u>	<u>\$ 265,560</u>	<u>\$ 277,856</u>	<u>\$ 428,851</u>

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# Statistical Section



Board of Education  
Westerville City School District  
Westerville, Ohio

**Westerville City School District**

**Westerville, Ohio**



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# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>116</b>
These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>122</b>
These schedules contain information to help the reader assess the affordability of the District’s most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>126</b>
These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>130</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.	
<b>Operating Information</b>	<b>132</b>
These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.	

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$71,795,686	\$63,530,757	\$54,584,950	\$52,021,416	\$48,788,494	\$46,260,204	\$50,782,100	\$47,774,042	\$44,986,764	\$40,845,628
Restricted	17,174,078	19,876,123	20,473,399	18,279,391	18,891,453	17,535,881	12,385,358	14,277,668	15,928,778	13,834,835
Unrestricted	(98,792,292)	(117,935,097)	(142,253,007) *	39,829,105	17,335,546	19,853,427	14,916,055	6,060,190	10,383,117	12,915,770
Total net position	<u>(\$9,822,528)</u>	<u>(\$34,528,217)</u>	<u>(\$67,194,658)</u>	<u>\$110,129,912</u>	<u>\$85,015,493</u>	<u>\$83,649,512</u>	<u>\$78,083,513</u>	<u>\$68,111,900</u>	<u>\$71,298,659</u>	<u>\$67,596,233</u>

Source: School district financial records

\* - Restated due to implementation GASB 68



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

	2016	2015	2014	2013	2012
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$73,908,072	\$68,584,408	\$66,313,068	\$65,111,562	\$77,038,152
Special	28,042,044	25,107,853	25,480,559	19,263,846	22,144,035
Vocational	405,855	366,088	445,614	374,107	252,328
Other	501,539	476,725	1,112,390	703,618	855,741
Support services					
Pupil	13,872,815	12,969,840	12,572,832	11,905,444	12,320,476
Instructional Staff	5,737,536	4,740,756	5,024,415	8,150,793	9,133,132
Board of education	1,022,775	1,011,234	976,576	1,095,184	1,424,003
Administration	12,301,803	11,317,560	11,184,393	11,536,433	12,508,555
Fiscal	2,937,632	3,284,545	2,419,301	2,969,256	2,628,335
Business	1,116,402	1,183,128	771,179	749,427	818,150
Operation and maintenance	12,956,102	12,843,328	12,264,013	11,913,251	12,980,201
Pupil transportation	8,373,304	8,230,115	8,033,390	7,540,459	8,816,149
Central	2,722,004	2,440,728	3,114,022	3,095,770	2,392,018
Other non-instructional	1,564,744	7,654,093	996,307	1,104,465	1,081,274
Food service operations	5,167,219	5,410,307	4,234,420	4,422,324	4,540,831
Extracurricular activities	3,471,963	3,192,138	3,191,362	3,035,404	3,333,926
Interest and fiscal charges	3,306,935	3,318,675	3,415,848	4,518,402	4,592,392
Total governmental activities	<u>\$177,408,744</u>	<u>\$172,131,521</u>	<u>\$161,549,689</u>	<u>\$157,489,745</u>	<u>\$176,859,698</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$1,901,613	\$1,541,558	\$1,302,069	\$1,254,691	\$1,330,006
Special	328,004	461,720	403,803	353,219	384,891
Pupil	210,009	188,009	269,086	282,575	285,892
Operations and maintenance	761,658	582,277	585,468	659,830	620,748
Food service operations	2,219,353	2,043,230	2,008,596	2,192,185	2,286,224
Extracurricular activities	1,303,030	1,440,257	1,402,184	1,395,942	1,216,395
Operating grants and contributions	17,269,656	26,095,560	13,277,875	11,268,684	13,775,709
Capital grants and contributions	-	-	-	-	3,800
Total governmental activities	<u>23,993,323</u>	<u>32,352,611</u>	<u>19,249,081</u>	<u>17,407,126</u>	<u>19,903,665</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$153,415,421)</u>	<u>(\$139,778,910)</u>	<u>(\$142,300,608)</u>	<u>(\$140,082,619)</u>	<u>(\$156,956,033)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$108,123,915	\$105,839,968	\$111,221,456	\$103,584,589	\$93,253,033
Debt service	7,749,164	7,562,574	6,848,950	6,577,946	8,098,833
Capital outlay	7,890,629	7,707,332	8,176,677	7,592,955	8,102,942
Grants and entitlements not restricted to specific programs	49,942,547	47,812,297	48,084,282	44,384,373	45,138,161
Insurance recoveries	-	-	-	-	-
Payments in lieu of taxes	3,204,684	3,213,638	3,124,487	2,878,328	2,385,150
Investment earnings	969,058	300,812	74,676	26,670	35,235
Miscellaneous	241,113	8,730	48,440	152,177	374,973
Extraordinary item	-	-	-	-	933,687
Total governmental activities	<u>178,121,110</u>	<u>172,445,351</u>	<u>177,578,968</u>	<u>165,197,038</u>	<u>158,322,014</u>
<b>Change in net position</b>					
Governmental activities	<u>\$24,705,689</u>	<u>\$32,666,441</u>	<u>\$35,278,360</u>	<u>\$25,114,419</u>	<u>\$1,365,981</u>

Source: School district financial records

	2011	2010	2009	2008	2007
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$69,983,172	\$69,463,578	\$67,449,754	\$65,456,070	\$62,931,908
Special	23,747,901	21,153,825	21,788,841	19,601,737	17,708,534
Vocational	915,477	548,891	593,157	678,722	624,810
Other	4,970,334	4,568,165	4,558,042	3,482,504	3,126,170
Support services					
Pupil	12,816,822	11,340,996	11,253,575	10,363,670	9,526,679
Instructional Staff	6,401,728	5,242,394	5,541,038	4,603,913	4,291,972
Board of education	1,728,752	1,651,416	1,456,641	1,536,818	1,610,376
Administration	11,888,608	11,245,165	10,791,283	10,033,797	9,309,733
Fiscal	2,804,650	2,625,949	1,632,219	2,417,545	2,304,479
Business	1,204,083	952,097	988,944	1,000,857	1,873,824
Operation and maintenance	16,024,992	14,131,404	13,624,034	13,857,342	13,621,605
Pupil transportation	8,815,697	8,473,897	7,987,307	7,401,674	6,921,601
Central	2,731,958	3,553,586	3,514,157	2,459,665	1,446,375
Other non-instructional	1,048,002	985,404	1,190,109	873,719	984,663
Food service operations	4,498,897	4,262,060	4,120,885	4,091,536	4,129,346
Extracurricular activities	3,320,713	3,156,520	2,888,932	2,845,872	2,652,863
Interest and fiscal charges	5,627,155	5,665,429	5,566,387	5,780,535	5,902,822
Total governmental activities	<u>\$178,528,941</u>	<u>\$169,020,776</u>	<u>\$164,945,305</u>	<u>\$156,485,976</u>	<u>\$148,967,760</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$1,377,360	\$1,283,750	\$1,283,887	\$1,307,979	\$1,781,314
Special	302,016	405,395	196,923	191,520	67,226
Pupil	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Food service operations	2,755,355	2,757,264	2,799,032	2,752,314	2,739,899
Extracurricular activities	1,488,255	1,410,889	1,355,317	1,331,796	1,219,200
Operating grants and contributions	10,502,282	9,498,432	7,869,476	7,086,656	6,639,262
Capital grants and contributions	-	-	-	-	-
Total governmental activities	<u>16,425,268</u>	<u>15,355,730</u>	<u>13,504,635</u>	<u>12,670,265</u>	<u>12,446,901</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$162,103,673)</u>	<u>(\$153,665,046)</u>	<u>(\$151,440,670)</u>	<u>(\$143,815,711)</u>	<u>(\$136,520,859)</u>
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$97,182,551	\$92,703,533	\$80,868,900	\$78,858,985	\$82,850,463
Debt service	8,092,890	10,695,455	10,612,532	9,537,826	10,092,937
Capital outlay	7,539,296	5,273,876	5,290,857	5,208,015	5,400,744
Grants and entitlements not restricted to specific programs	52,556,276	52,929,017	49,181,194	47,212,653	44,906,266
Insurance recoveries	-	-	-	3,438,753	-
Payments in lieu of taxes	1,279,078	1,117,132	974,418	680,171	-
Investment earnings	87,739	54,648	459,231	1,432,458	1,785,049
Miscellaneous	931,842	862,998	866,779	759,064	1,322,802
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>167,669,672</u>	<u>163,636,659</u>	<u>148,253,911</u>	<u>147,127,925</u>	<u>146,358,261</u>
<b>Change in net position</b>					
Governmental activities	<u>\$5,565,999</u>	<u>\$9,971,613</u>	<u>(\$3,186,759)</u>	<u>\$3,312,214</u>	<u>\$9,837,402</u>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General fund</b>										
Nonspendable	\$526,976	\$416,379	\$399,060	\$439,078	\$422,187	\$98,661	N/A	N/A	N/A	N/A
Committed	1,560,834	29,500	175,524	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Assigned	1,661,076	1,224,286	1,679,597	1,547,118	2,344,056	790,544	N/A	N/A	N/A	N/A
Unassigned	104,799,855	89,120,393	68,882,461	37,536,050	17,381,879	23,564,136	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	\$30,427,754	\$26,081,899	\$24,390,792	\$27,249,394
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	(8,480,367)	(15,420,065)	(9,236,180)	(9,270,091)
<b>Total General fund</b>	<b>\$108,548,741</b>	<b>\$90,790,558</b>	<b>\$71,136,642</b>	<b>\$39,522,246</b>	<b>\$20,148,122</b>	<b>\$24,453,341</b>	<b>\$21,947,387</b>	<b>\$10,661,834</b>	<b>\$15,154,612</b>	<b>\$17,979,303</b>
<b>All other governmental funds</b>										
Nonspendable	\$467,418	\$649,121	\$341,486	\$146,804	\$28,811	\$30,463	N/A	N/A	N/A	N/A
Restricted:										
Debt service	8,462,043	8,418,185	8,293,123	8,094,220	8,447,429	7,964,302	N/A	N/A	N/A	N/A
Capital improvements	6,077,590	8,354,384	9,284,691	7,544,471	7,818,103	11,866,584	N/A	N/A	N/A	N/A
Other purposes	2,967,954	2,296,490	2,657,314	2,309,525	2,103,186	157,646	N/A	N/A	N/A	N/A
Committed	-	-	-	-	-	1,024,033	N/A	N/A	N/A	N/A
Unassigned	(3,936)	(28,024)	(367,746)	(231,827)	(1,119)	998,493	N/A	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	\$17,667,994	\$5,647,773	\$6,468,109	\$4,958,172
Unreserved, reported in:										
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	7,876,475	6,892,804	5,937,642	5,646,821
Permanent Improvement	N/A	N/A	N/A	N/A	N/A	N/A	13,069,634	4,197,928	5,653,428	4,746,920
Special Revenue	N/A	N/A	N/A	N/A	N/A	N/A	792,859	901,467	1,101,957	938,255
<b>Total all other governmental funds</b>	<b>\$17,971,069</b>	<b>\$19,690,156</b>	<b>\$20,208,868</b>	<b>\$17,863,193</b>	<b>\$18,396,410</b>	<b>\$22,041,521</b>	<b>\$39,406,962</b>	<b>\$17,639,972</b>	<b>\$19,161,136</b>	<b>\$16,290,168</b>

Source: School district financial records

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

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

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

	2016	2015	2014	2013	2012
<b>Revenues:</b>					
From local sources:					
Property taxes	\$124,023,549	\$121,276,452	\$127,136,099	\$118,280,521	\$108,880,413
Payment in lieu of taxes	3,204,684	3,213,638	3,124,487	2,878,328	2,385,150
Tuition	1,833,293	1,587,327	1,142,678	1,079,589	1,145,130
Earnings on investments	980,944	221,523	58,323	27,589	35,657
Charges for services	2,212,531	2,043,230	2,008,596	2,192,185	2,283,149
Extracurricular	1,489,064	1,621,420	1,671,270	1,678,517	1,480,081
Intergovernmental - state	59,041,825	65,223,827	52,698,298	47,565,426	48,531,131
Intergovernmental - federal	8,531,467	8,050,706	8,257,359	7,515,865	9,819,993
Other revenue	1,497,505	1,357,722	1,416,984	1,594,091	1,814,913
<b>Total revenues</b>	<b>202,814,862</b>	<b>204,595,845</b>	<b>197,514,094</b>	<b>182,812,111</b>	<b>176,375,617</b>
<b>Expenditures:</b>					
Instructional					
Regular	69,643,637	67,900,858	61,455,256	62,252,644	71,201,427
Special	26,807,474	25,022,103	23,681,609	18,337,328	20,784,931
Vocational	382,066	350,658	415,886	347,695	212,194
Other	508,207	478,046	1,081,547	727,505	840,636
Support Services					
Pupil	13,943,880	13,408,955	12,550,934	12,198,691	12,299,051
Instrucational staff	5,656,216	4,918,021	4,935,081	8,261,218	9,085,119
Board of education	1,018,812	1,007,703	663,021	472,039	1,424,110
Administration	11,558,474	11,089,546	10,420,192	10,930,851	11,299,484
Fiscal	2,925,189	3,290,270	2,423,238	2,989,204	2,620,580
Business	1,118,033	1,195,351	765,024	705,323	860,314
Operation and maintenance	12,369,949	12,571,794	12,111,834	11,972,843	12,927,669
Pupil transportation	7,534,851	7,604,653	7,379,932	7,104,390	8,183,791
Central	1,876,133	1,888,561	2,090,354	2,281,970	2,322,652
Other non-instructional	1,555,573	7,655,236	988,442	1,112,708	978,110
Food service operations	5,146,018	5,383,345	4,212,936	4,389,180	4,498,250
Extracurricular activities	3,171,892	2,928,280	2,823,848	2,803,033	3,152,392
Facilities acquisition and construction	10,242,003	7,539,276	5,342,023	6,266,301	10,212,668
Capital Outlay	750,440	-	-	-	-
Debt Service:					
Principal retirement	8,440,035	7,915,000	6,975,000	7,165,000	6,535,000
Interest and fiscal charges	3,081,141	3,312,985	3,516,394	3,718,539	4,887,569
Bond issuance costs	-	-	-	366,527	-
<b>Total expenditures</b>	<b>187,730,023</b>	<b>185,460,641</b>	<b>163,832,551</b>	<b>164,402,989</b>	<b>184,325,947</b>
Excess (deficiency) of revenues over (under) expenditures	15,084,839	19,135,204	33,681,543	18,409,122	(7,950,330)
Other financing sources (uses):					
Sale of refunding bonds	-	-	-	27,320,000	-
Premium on refunding bonds	-	-	-	3,492,263	-
Payment to bond escrow agent	-	-	-	(30,445,736)	-
Tax Anticipation Notes issued	-	-	-	-	-
Premium on tax anticipation notes	-	-	-	-	-
Inception of capital lease	750,440	-	-	-	-
Sale of assets	203,817	-	278,528	65,258	-
Transfers in	3,023,094	3,077,013	3,072,463	2,979,300	2,980,338
Transfers out	(3,023,094)	(3,077,013)	(3,072,463)	(2,979,300)	(2,980,338)
Insurance recoveries	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>954,257</b>	<b>-</b>	<b>278,528</b>	<b>431,785</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$16,039,096</b>	<b>\$19,135,204</b>	<b>\$33,960,071</b>	<b>\$18,840,907</b>	<b>(\$7,950,330)</b>
Debt service as a percentage of noncapital expenditures	6.40%	6.32%	6.50%	6.77%	6.38%

Source: School district financial records

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

This has been reflected since 2011.

	2011	2010	2009	2008	2007
<b>Revenues:</b>					
From local sources:					
Property taxes	\$112,396,958	\$108,538,581	\$96,035,461	\$93,041,686	\$97,695,620
Payment in lieu of taxes	1,279,078	1,117,132	974,418	680,171	693,505
Tuition	1,679,376	1,448,710	1,241,502	1,260,389	938,607
Earnings on investments	87,187	53,787	435,765	1,364,612	1,690,559
Charges for services	2,755,355	N/A	N/A	N/A	N/A
Extracurricular	1,488,255	1,410,889	1,355,317	1,331,796	1,219,200
Intergovernmental - state	51,597,664	51,330,484	50,719,372	48,774,564	46,359,783
Intergovernmental - federal	11,952,761	8,627,884	4,791,082	4,180,663	4,017,618
Other revenue	1,048,321	896,921	918,238	789,189	1,322,802
<b>Total revenues</b>	<b>184,284,955</b>	<b>173,424,388</b>	<b>156,471,155</b>	<b>151,423,070</b>	<b>153,937,694</b>
<b>Expenditures:</b>					
Instructional					
Regular	66,458,161	66,266,194	64,155,120	58,719,818	56,444,508
Special	22,876,833	20,453,616	20,884,904	18,651,131	16,798,447
Vocational	888,488	523,561	567,680	644,768	593,501
Other	4,807,010	4,401,401	4,397,956	3,330,470	2,984,481
Support Services					
Pupil	12,869,176	11,270,648	11,175,462	10,304,731	9,508,798
Instructional staff	6,349,461	5,298,758	5,528,096	4,627,808	4,343,114
Board of education	1,728,431	1,651,416	1,456,641	1,536,818	1,610,376
Administration	11,323,936	10,825,911	10,201,514	9,648,630	8,980,999
Fiscal	2,793,321	2,948,045	1,629,092	2,399,553	2,294,423
Business	1,174,471	903,218	953,696	969,238	952,574
Operation and maintenance	15,635,931	13,878,489	13,414,960	13,742,638	13,458,198
Pupil transportation	8,331,020	7,947,634	7,436,535	6,969,000	6,463,492
Central	2,384,339	2,422,504	3,435,033	2,276,147	2,053,622
Other non-instructional	1,055,554	982,797	1,175,295	872,641	983,610
Food service operations	4,455,617	600	1,500	23,650	29,878
Extracurricular activities	3,194,118	2,998,384	2,819,478	2,771,679	2,586,588
Facilities acquisition and construction	20,716,089	1,947,983	2,877,972	6,848,222	6,905,754
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal retirement	7,660,000	7,095,000	5,700,000	5,580,000	5,445,000
Interest and fiscal charges	5,178,619	4,420,045	4,674,163	4,898,604	5,607,656
Bond issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>199,880,575</b>	<b>166,236,204</b>	<b>162,485,097</b>	<b>154,815,546</b>	<b>148,045,019</b>
Excess (deficiency) of revenues over (under) expenditures	(15,595,620)	7,188,184	(6,013,942)	(3,392,476)	5,892,675
Other financing sources (uses):					
Sale of refunding bonds	-	-	-	-	48,365,000
Premium on refunding bonds	-	-	-	-	2,657,888
Payment to bond escrow agent	-	-	-	-	(50,580,855)
Tax Anticipation Notes issued	-	24,415,000	-	-	-
Premium on tax anticipation notes	-	1,488,342	-	-	-
Inception of capital lease	-	-	-	-	-
Sale of assets	-	-	-	-	-
Transfers in	467,959	2,687,736	-	-	-
Transfers out	(467,959)	(2,726,719)	-	-	-
Insurance recoveries	-	-	-	3,438,753	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>25,864,359</b>	<b>-</b>	<b>3,438,753</b>	<b>442,033</b>
<b>Net change in fund balances</b>	<b>(\$15,595,620)</b>	<b>\$33,052,543</b>	<b>(\$6,013,942)</b>	<b>\$46,277</b>	<b>\$6,334,708</b>
Debt service as a percentage of noncapital expenditures	7.17%	7.01%	6.50%	6.95%	7.62%

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

Collection Year	Real Property (a)		Tangible Personal Property (b)		Tangible Personal Property (c)		Total		(d) Total Direct Voted Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2016	\$2,284,046,520	\$6,525,847,200	\$0	\$0	\$38,809,570	\$110,884,486	\$2,322,856,090	\$6,636,731,686	80.50
2015	\$2,282,514,080	\$6,521,468,800	\$0	\$0	\$37,466,650	\$107,047,571	\$2,319,980,730	\$6,628,516,371	80.60
2014	\$2,268,657,130	\$6,481,877,514	\$0	\$0	\$36,496,620	\$104,276,057	\$2,305,153,750	\$6,586,153,571	80.05
2013	\$2,263,716,500	\$6,467,761,429	\$0	\$0	\$36,724,810	\$104,928,029	\$2,300,441,310	\$6,572,689,457	80.10
2012	\$2,261,818,730	\$6,462,339,229	\$0	\$0	\$36,661,360	\$104,746,743	\$2,298,480,090	\$6,567,085,971	73.20
2011	\$2,421,002,290	\$6,917,149,400	\$0	\$0	\$44,873,240	\$128,209,257	\$2,465,875,530	\$7,045,358,657	72.95
2010	\$2,433,460,260	\$6,952,743,600	\$2,114,706	\$42,294,120	\$39,065,530	\$111,615,800	\$2,474,640,496	\$7,106,653,520	73.00
2009	\$2,418,789,480	\$6,910,827,086	\$4,064,812	\$40,648,120	\$38,076,550	\$108,790,143	\$2,460,930,842	\$7,060,265,349	73.00
2008	\$2,414,158,300	\$6,897,595,143	\$23,161,556	\$370,584,896	\$36,764,060	\$105,040,171	\$2,474,083,916	\$7,373,220,210	72.50
2007	\$2,418,908,970	\$6,911,168,486	\$39,390,964	\$315,127,712	\$53,557,100	\$153,020,286	\$2,511,857,034	\$7,379,316,484	72.50

Source: Franklin County Auditor

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

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

Tax Year/ Collection Year	Westerville City School District						Total Direct	Franklin County	Delaware County	City of Westerville	City of Columbus	Blendon Township	Genoa Township	Plain Township	Sharon Township	Minerva Park Corp.	Westerville Corp. (Genoa)
	Voted Gen. Fd.	Bond	Permanent Improvement	Unvoted	Franklin County	Delaware County											
2015/2016	68.95	3.80	3.95	3.80	72.75	18.47	6.75	20.30	3.14	32.51	13.30	15.25	23.50	15.10	20.30		
Res/Agr	51.75	3.80	3.79	3.80	3.80	18.23	6.55	13.24	3.14	21.96	13.12	11.71	18.46	15.10	13.24		
Comm/Ind	69.05	3.80	3.91	3.80	3.95	18.47	6.63	15.32	3.14	23.09	13.21	10.03	20.93	15.10	15.32		
2014/2015	69.05	3.80	3.95	3.80	80.60	18.47	7.51	20.30	3.14	32.51	11.70	15.35	23.50	15.70	20.30		
2013/2014	69.05	3.25	3.95	3.80	80.05	18.47	7.51	20.30	3.14	30.65	11.30	15.35	23.50	15.85	20.30		
2012/2013	69.10	3.25	3.95	3.80	80.10	18.47	6.65	20.30	3.14	30.65	11.30	15.35	23.50	16.05	20.30		
2011/2012	61.60	3.85	3.95	3.80	73.20	18.07	6.65	20.30	3.14	29.10	11.30	15.35	23.50	16.05	20.30		
2010/2011	61.60	3.60	3.95	3.80	72.95	18.07	6.65	20.30	3.14	29.10	11.30	15.35	23.50	16.05	23.30		
2009/2010	61.60	4.90	2.70	3.80	73.00	18.07	6.64	17.70	3.14	26.56	9.40	15.35	23.50	15.95	17.70		
2008/2009	61.60	4.90	2.70	3.80	73.00	18.02	5.85	17.70	3.14	26.56	9.40	15.35	23.50	15.95	17.70		
2007/2008	61.60	4.40	2.70	3.80	72.50	18.49	5.65	17.64	3.14	26.51	9.40	12.85	23.50	15.95	17.64		
2006/2007	61.60	4.40	2.70	3.80	72.50	18.44	5.65	17.60	3.14	26.55	10.10	13.15	23.50	16.09	17.60		

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

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

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

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

June 30, 2016		
Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Ohio Power Company	\$4,935,740	0.21%
2. Columbia Gas Of Ohio, Inc.	\$2,664,260	0.11%
<u>Real Estate</u>		
1. GC Net Least	\$12,425,000	0.53%
2. St. Ann's Hospital of Columbus, Inc.	\$10,838,100	0.47%
3. Banc One Management Corp.	\$9,318,750	0.40%
4. NRI Brookside LLC	\$8,598,520	0.37%
5. Maxtown Communities LLC	\$5,250,000	0.23%
6. Garrison Central II	\$5,215,040	0.23%
7. Meijer Stores Limited Partnership	\$4,876,630	0.21%
8. Westerville Square, Inc.	\$4,869,890	0.21%
9. Lexington MLP Westerville LP	\$4,679,430	0.20%
10. Westerville Senior Development LTD	\$4,112,510	0.18%
<u>Tangible Personal Property *</u>		
All Others	<u>\$2,245,072,220</u>	<u>96.65%</u>
Total Assessed Valuation	<u><u>\$2,322,856,090</u></u>	<u><u>100.00%</u></u>

June 30, 2007		
Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Columbus Southern Power	\$18,435,390	0.73%
2. Sprint Nextel Corporation	\$10,119,870	0.40%
3. Ohio Bell Telephone Company	\$7,525,020	0.30%
<u>Real Estate</u>		
1. Banc One Management Corp.	\$15,880,000	0.63%
2. Eastrich No 167 Corp	\$10,055,510	0.40%
3. NRI Brookside LLC	\$9,847,560	0.39%
4. St. Ann's Hospital of Columbus, Inc.	\$9,346,760	0.37%
5. Chestnut Hill Apartments	\$9,002,860	0.36%
6. Corporate Exchange	\$8,050,000	0.32%
7. Remington Station	\$7,525,020	0.30%
8. Westminister Corporate	\$6,825,010	0.27%
9. 380 Associates LLC	\$5,460,000	0.22%
10. AAC Funding Partnership	\$5,355,000	0.21%
<u>Tangible Personal Property</u>		
1. Intellirisk Management Corp	\$1,343,196	0.05%
2. Roush Equipment Company, Inc.	\$1,257,114	0.05%
3. Kroger Company	\$1,042,433	0.04%
4. JPMorgan Chase & Co.	\$915,193	0.04%
5. Mid-Ohio Imported Car Company Inc.	\$846,766	0.03%
6. Germain Nissan of New Albany	\$805,420	0.03%
7. Auto Direct Inc	\$750,541	0.03%
8. Time Warner Entertainment Co. LP	\$705,812	0.03%
9. Home Depot USA Inc.	\$657,149	0.03%
10. Rush Motor Sales Inc.	\$653,357	0.03%
All Others	<u>\$2,379,452,053</u>	<u>94.74%</u>
Total Assessed Valuation	<u><u>\$2,511,857,034</u></u>	<u><u>100.0%</u></u>

Source: Franklin County Auditor

Assessed Values are for the valuation year of 2015 and 2006, respectively.

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



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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection (1)	Percent of Current Levy Collected	Delinquent Collection (2)	Total Collection	Total Collection As a Percent of Total Levy	Delinquent Taxes Receivable
2014/15	\$88,741,731	\$4,226,422	\$92,968,153	\$84,652,852	95.39%	\$2,161,142	\$86,813,994	93.38%	\$3,480,011
2013/14	\$88,688,995	\$4,520,784	\$93,209,779	\$83,920,172	94.62%	\$2,366,103	\$86,286,275	92.57%	\$4,394,802
2012/13	\$88,969,623	\$4,901,003	\$93,870,626	\$84,426,794	94.89%	\$2,942,903	\$87,369,697	93.07%	\$4,467,594
2011/12	\$78,951,976	\$5,417,100	\$84,369,076	\$75,028,801	95.03%	\$2,493,415	\$77,522,216	91.88%	\$4,613,790
2010/11	\$82,234,952	\$4,869,838	\$87,104,790	\$78,558,229	95.53%	\$1,968,273	\$80,526,502	92.45%	\$5,264,973
2009/10	\$82,048,998	\$4,371,915	\$86,420,913	\$79,289,214	96.64%	\$2,345,092	\$81,634,306	94.46%	\$4,685,629
2008/09	\$69,423,869	\$4,055,888	\$73,479,757	\$66,559,029	95.87%	\$2,341,458	\$68,900,487	93.77%	\$4,312,427
2007/08	\$70,305,682	\$3,669,174	\$73,974,856	\$65,770,741	93.55%	\$1,971,648	\$67,742,389	91.57%	\$4,151,902
2006/07	\$71,785,121	\$3,336,015	\$75,121,136	\$69,060,721	96.20%	\$1,905,792	\$70,966,513	94.47%	\$3,515,477
2005/06	\$62,554,612	\$2,798,410	\$65,353,022	\$60,761,825	97.13%	\$1,460,370	\$62,222,195	95.21%	\$3,101,187

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

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

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

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

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

Year	Governmental Activities		Total Debt	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
	(a) General Obligation Bonds	(a) Tax Anticipation Notes				
2016	\$66,222,219	\$13,150,000	\$79,372,219	2.20%	\$841	\$5,331
2015	\$71,777,795	\$15,490,000	\$87,267,795	2.48%	\$930	\$5,928
2014	\$77,147,267	\$17,785,000	\$94,932,267	2.75%	\$1,014	\$6,469
2013	\$81,729,434	\$20,035,000	\$101,764,434	2.93%	\$1,090	\$6,920
2012	\$87,259,340	\$23,428,908	\$110,688,248	3.32%	\$1,191	\$7,457
2011	\$91,512,640	\$25,734,212	\$117,246,852	3.62%	\$1,264	\$7,904
2010	\$98,652,552	\$25,869,516	\$124,522,068	4.37%	\$1,543	\$8,516
2009	\$104,945,688	\$0	\$104,945,688	3.69%	\$1,303	\$7,209
2008	\$109,777,140	\$0	\$109,777,140	4.64%	\$1,365	\$7,583
2007	\$114,091,224	\$0	\$114,091,224	4.86%	\$1,428	\$8,005

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

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

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

Year	(a) Estimated Actual Value	(b) General Obligation Debt	(c) Less Debt Service	Net General Bonded Debt	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita
2016	\$6,636,731,686	\$79,372,219	\$8,462,043	\$70,910,176	1.07%	\$751
2015	\$6,628,516,371	\$87,267,795	\$8,418,185	\$78,849,610	1.19%	\$840
2014	\$6,586,153,571	\$94,932,267	\$8,293,123	\$86,639,144	1.32%	\$926
2013	\$6,572,689,457	\$101,764,434	\$8,094,220	\$93,670,214	1.43%	\$1,003
2012	\$6,567,085,971	\$110,688,248	\$8,447,429	\$102,240,819	1.56%	\$1,100
2011	\$7,045,358,657	\$117,246,852	\$7,964,302	\$109,282,550	1.55%	\$1,178
2010	\$7,106,653,520	\$124,522,068	\$11,116,291	\$113,405,777	1.60%	\$1,405
2009	\$7,060,265,349	\$104,945,688	\$10,102,167	\$94,843,521	1.34%	\$1,178
2008	\$7,373,220,210	\$109,777,140	\$8,758,598	\$101,018,542	1.37%	\$1,256
2007	\$7,379,316,484	\$114,091,224	\$8,755,309	\$105,335,915	1.43%	\$1,318

Sources:

(a) County auditor, Franklin County, Ohio

(b) School district records - General obligation debt outstanding end of fiscal year

(c) Balance of general obligation bond retirement fund at end of fiscal year

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

Westerville City School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 as of June 30, 2016

Governmental Unit	Gross Debt Outstanding	Percent Applicable to Westerville City School District	Amount Applicable to Westerville City School District
Direct:			
Westerville City School District	<u>\$79,372,219</u>	100.00%	<u>\$79,372,219</u>
Overlapping:			
Delaware County	\$53,386,000	12.66%	\$6,758,668
Franklin County	\$221,165,000	5.45%	\$12,053,493
City of Columbus	\$781,880,000	3.49%	\$27,287,612
City of Westerville	\$9,050,000	96.93%	\$8,772,165
Plain Township	\$1,409,000	1.09%	\$15,358
Minerva Park Village	\$0	100.00%	\$0
New Albany Plain Local Park District Misc.	<u>\$5,529,476</u>	0.80%	<u>\$44,236</u>
Total Overlapping	<u>\$1,072,419,476</u>		<u>\$54,931,532</u>
Total Direct and Overlapping Debt	<u><u>\$1,151,791,695</u></u>		<u><u>\$134,303,751</u></u>

Source: Ohio Municipal Advisory Council

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

Overlapping governments with no outstanding debt are not reflected.

Westerville City Schools  
 Legal Debt Margin Information  
 as of June 30, 2016

Assessed Valuation	<u>\$2,322,856,090</u>									
Voted and Unvoted Debt Limit - 9% of Assessed Valuation	\$209,057,048									
Balance in Debt Service Fund	<u>\$8,462,043</u>									
Total Debt Outstanding	\$78,470,000									
Less: Exempted Debt	<u>\$0</u>									
Net subject to 9% limit	\$78,470,000									
Total Legal Voted Debt Margin	<u>\$139,049,091</u>									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$217,519,091	\$217,216,451	\$215,756,961	\$215,133,938	\$215,310,637	\$229,893,100	\$233,833,936	\$231,585,943	\$231,426,150	\$234,822,442
Total Net Debt Applicable to Limit	<u>\$78,470,000</u>	<u>\$86,805,000</u>	<u>\$94,720,000</u>	<u>\$101,695,000</u>	<u>\$108,895,000</u>	<u>\$113,719,969</u>	<u>\$118,622,212</u>	<u>\$100,650,446</u>	<u>\$105,764,585</u>	<u>\$111,139,583</u>
Legal Debt Margin	<u>\$139,049,091</u>	<u>\$130,411,451</u>	<u>\$121,036,961</u>	<u>\$113,438,938</u>	<u>\$106,415,637</u>	<u>\$116,173,131</u>	<u>\$115,211,724</u>	<u>\$130,935,497</u>	<u>\$125,661,565</u>	<u>\$123,682,859</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	36.07%	39.96%	43.90%	47.27%	50.58%	49.47%	50.73%	43.46%	45.70%	47.33%

Source: Franklin County Auditor and School District financial records

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

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

Westerville City School District  
 Demographic and Economic Statistics  
 Last Ten Years

Year	(a) MORPC Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate	(b) % of Population 25 Years & older with Bachelor's Degree or Higher	(d) Enrollment Membership
2016	94,390	\$38,181	\$3,603,904,590	3.5%	52.6%	14,890
2015	93,829	\$37,431	\$3,512,113,299	3.7%	51.8%	14,722
2014	93,600	\$36,857	\$3,449,815,200	4.9%	51.1%	14,674
2013	93,378	\$37,143	\$3,468,339,054	5.2%	50.7%	14,705
2012	92,959	\$35,887	\$3,336,019,633	6.6%	49.9%	14,844
2011	92,789	\$34,899	\$3,238,243,311	6.8%	51.7%	14,833
2010	80,702	\$35,328	\$2,851,040,256	7.6%	50.7%	14,622
2009	80,536	\$35,328	\$2,845,175,808	5.7%	50.7%	14,558
2008	80,404	\$29,401	\$2,363,958,004	4.0%	44.6%	14,477
2007	79,891	\$29,401	\$2,348,875,291	3.9%	44.6%	14,252

Sources:

- (a) Mid Ohio Regional Planning Commission
- (b) US Census Bureau 2000 and 2007-2015 American Community Survey
- (c) U.S. Department of Labor, Bureau of Labor Statistics
- (d) Per School District records - Educational Management Information System

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

December 2015

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	4,835	7.9%	Banking & Financial Services
2 Mount Carmel Health Systems	2,924	4.8%	Health Care
3 Otterbein College	1,787	2.9%	Private College
4 Westerville City Schools	1,711	2.8%	Public Education
5 Alliance Data Systems, Inc.	1,269	2.1%	Finance Credit Services
6 Ohio Health	1,003	1.6%	Health Care
7 Educational Service Center of Central Ohio	907	1.5%	Educational Consultancy
8 City of Westerville	861	1.4%	Municipal Government
9 Exel Inc.	744	1.2%	Contract Logistics Provider
10 1-800 Flowers (Cheryl's Cookies)	649	1.1%	Retail Food
Total	<u>16,690</u>	<u>27.3%</u>	

December 2006

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	3,958	6.8%	Banking & Financial Services
2 Mount Carmel Health Systems	2,360	4.0%	Health Care
3 Westerville City Schools	2,195	3.7%	Public Education
4 Otterbein College	1,783	3.0%	Private College
5 CMS Subsidiary	1,722	2.9%	Membership Services
6 Alliance Data Systems, Inc.	1,200	2.0%	Finance Credit Services
7 1-800 Flowers (Cheryl's Cookies)	931	1.6%	Retail Food
8 City of Westerville	884	1.5%	Municipal Government
9 Meijer's	691	1.2%	Retail Groceries
10 Heartland Employment Services LLC	671	1.1%	Financial Services
Total	<u>16,395</u>	<u>27.8%</u>	

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

Source: City of Westerville Division of Taxation, Comprehensive Annual Financial Report December 31, 2015

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Professional staff:										
Teaching staff:										
Elementary	434.10	433.50	422.00	414.00	410.50	415.95	433.07	403.41	383.94	375.50
Middle	211.13	206.20	210.00	205.50	195.50	208.80	232.25	232.40	231.85	208.50
High	266.40	261.40	251.20	256.00	246.83	257.35	271.65	278.35	267.30	252.00
Administrators:										
Certificated	58.00	61.00	56.00	52.00	54.50	56.50	55.50	55.50	56.80	56.00
Classified	15.00	13.00	16.00	14.00	14.00	16.00	16.00	16.00	17.25	18.00
Guidance counselors	32.00	32.00	31.00	30.00	29.00	32.00	32.00	32.00	30.00	29.00
Social Workers	7.00	7.00	7.00	4.50	6.50	0.00	1.00	1.00	2.00	2.00
Psychologists	12.00	12.00	12.00	13.60	13.00	16.70	14.20	14.20	14.60	15.00
Nurses	10.20	10.20	10.00	10.00	10.00	9.84	10.00	10.00	9.40	8.00
Speech	21.30	21.30	21.30	21.30	21.30	21.30	19.10	19.10	18.55	19.00
Adapted phys ed. - OT/PT	17.60	17.60	17.60	15.60	17.40	12.60	5.00	5.00	13.60	14.00
Media specialist	14.00	14.00	12.00	14.50	10.00	15.00	15.00	14.00	15.00	15.00
Support staff:										
Secretarial	105.99	101.18	96.48	94.54	98.90	113.62	113.62	114.87	114.87	110.00
ESL paraprofessionals	20.84	20.84	19.18	19.29	20.41	20.56	20.56	20.92	20.92	20.00
Educational Interpreter	0.81	0.81	2.51	1.70	1.62	1.62	-	-	-	-
Job Coaches	3.88	3.88	3.40	3.88	3.88	4.73	4.73	4.45	4.45	4.00
Health Aides	9.69	11.24	9.05	8.65	8.85	8.86	8.86	8.86	8.86	9.00
Recess aides/crossing guards	27.67	26.96	21.44	32.05	20.79	23.10	23.10	24.50	24.50	26.00
Building/duty monitors	7.63	7.63	7.63	7.38	6.72	13.41	12.60	12.54	12.54	11.00
Parent Mentor	1.75	2.45	0.75	0.75	1.00	0.75	0.75	0.75	0.75	1.00
Community Relations Facilitator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
IMS personnel	7.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00	7.00
Printers	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food service	44.27	45.90	46.27	50.62	51.03	52.10	52.10	52.61	52.61	52.00
Nutrition Education Specialist	-	-	-	-	-	-	-	0.50	0.50	1.00
Custodial	72.75	70.25	68.00	69.00	71.75	87.75	88.75	88.75	88.75	89.00
Maintenance	16.00	15.00	14.00	15.00	17.00	18.00	17.00	17.00	17.00	16.00
HVAC	4.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Bus drivers	63.38	63.02	63.49	65.54	67.70	82.23	82.23	77.10	77.10	76.00
Mechanics	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Warehouse	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Total</b>	<b>1,497.39</b>	<b>1,480.36</b>	<b>1,442.30</b>	<b>1,444.40</b>	<b>1,423.18</b>	<b>1,515.77</b>	<b>1,556.07</b>	<b>1,530.81</b>	<b>1,510.14</b>	<b>1,454.00</b>
Function:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities:										
Instruction	930.66	920.13	908.29	900.37	878.74	909.01	962.26	939.53	908.46	859.00
Support services:										
Pupils	132.04	132.59	127.95	117.10	120.05	115.30	105.16	105.16	112.01	111.00
Instructional staff	69.30	67.59	58.07	65.93	53.51	67.01	69.70	70.04	70.04	71.50
Administration	103.74	102.93	95.98	94.09	95.40	108.62	106.12	107.37	112.92	107.50
Fiscal services	8.50	8.00	8.00	10.00	11.00	11.00	11.00	11.00	11.00	10.00
Business services	10.00	10.00	10.00	10.00	9.50	11.50	11.50	11.50	11.50	11.50
Operation & maintenance	97.25	91.75	88.50	91.50	96.25	114.25	114.25	114.25	114.25	113.50
Student transportation	75.38	75.02	75.99	78.04	80.70	95.23	95.23	90.10	90.10	90.00
Central services	14.00	14.50	13.50	17.00	17.00	21.00	19.00	19.00	17.00	17.00
Food service operations	48.77	49.40	49.27	53.62	54.03	55.10	55.10	56.11	56.11	56.00
Community services	1.75	2.45	0.75	0.75	1.00	1.75	0.75	0.75	0.75	1.00
Extra-curricular activities	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Total governmental activities</b>	<b>1,497.39</b>	<b>1,480.36</b>	<b>1,442.30</b>	<b>1,444.40</b>	<b>1,423.18</b>	<b>1,515.77</b>	<b>1,556.07</b>	<b>1,530.81</b>	<b>1,510.14</b>	<b>1,454.00</b>

Source - School District records



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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular and special										
Enrollment (Students)	14,890	14,722	14,674	14,705	15,025	14,833	14,622	14,558	14,477	14,467
Graduation rate	88.9%	90.3%	90.2%	90.2%	92.1%	93.3%	93.3%	93.4%	91.9%	95.8%
Support services - pupil										
% of students going on to higher education	74.7%	76.0%	72.3%	78.0%	69.6%	70.0%	85.0%	85.0%	84.5%	79.0%
% of students with disabilities	12.8%	13.0%	13.3%	13.3%	13.6%	12.5%	11.7%	11.7%	12.1%	11.6%
% of limited English proficient students	10.2%	10.8%	10.4%	10.3%	8.2%	8.4%	8.8%	7.8%	7.1%	7.4%
School administration										
Student attendance rate	95.8%	95.3%	95.9%	91.7%	N/A	95.8%	95.7%	95.9%	95.6%	95.6%
Fiscal										
Purchase orders processed	7,313	7,353	7,676	7,738	8,197	9,947	9,636	10,049	9,895	9,876
Nonpayroll checks issued	9,272	9,898	9,825	10,077	10,673	11,217	10,802	11,170	10,991	11,571
Business										
Facility rentals permits issued	368	367	401	387	370	416	378	332	312	303
Maintenance										
Maintenance work orders completed	7,557	7,225	7,776	7,293	7,102	7,686	7,315	7,057	7,172	7,192
District square footage maintained by custodians and maintenance staff	2,157,894	2,161,396	2,165,492	2,165,492	2,167,028	2,168,660	2,112,955	2,112,955	2,112,955	2,115,276
District acreage maintained by grounds staff	427	412	412	412	412	412	403	403	403	403
Transportation										
Avg. public and parochial students transported daily	9,194	9,100	9,064	8,863	8,785	11,293	10,325	10,640	10,671	8,401
Avg. daily bus stops	5,104	5,150	4,339	4,170	4,313	5,384	5,564	5,820	6,216	4,961
Central										
Information technology services work orders completed	11,800	11,164	8,545	8,435	8,916	6,610	6,418	6,072	4,126	2,857
Food service operations										
Breakfasts served to students	482,828	395,482	339,020	324,224	353,366	321,048	295,104	156,346	177,601	138,900
Lunches served to students	988,971	895,322	871,265	927,035	951,909	708,789	661,529	622,748	620,376	628,488
Extra-curricular activities										
High school varsity teams	60	60	60	60	60	60	60	60	60	60

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

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

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

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

	2016	2015	2014	2013	2012
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$10,211,506	\$10,031,514	\$10,031,514	\$10,031,514	\$10,019,143
Buildings/improvements	203,294,320	197,503,930	197,343,161	197,339,963	196,698,599
Furniture/equipment	2,995,239	2,943,519	2,320,588	2,279,518	2,161,555
Vehicles	164,171	164,171	39,200	39,200	19,500
Special Instruction					
Land/improvements	3,114	3,114	3,114	3,114	3,114
Buildings/improvements	1,304,234	1,304,234	1,304,234	1,304,234	1,304,234
Furniture/equipment	198,667	189,622	203,941	193,450	181,637
Vocational Instruction					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	-	-	-	-	-
Vehicles	21,479	21,479	21,479	21,479	21,479
Pupil Support					
Land/improvements	-	-	-	3,550	3,550
Buildings/improvements	-	-	-	312,235	312,235
Furniture/equipment	51,363	44,840	44,840	44,360	44,360
Instructional Support Staff					
Land/improvements	111,958	-	-	-	-
Furniture/equipment	106,937	70,486	70,486	66,400	66,400
General Administration					
Buildings/improvements	45,228	45,228	45,228	-	-
Furniture/equipment	7,712	7,712	7,712	7,712	7,712
School Administration					
Buildings/improvements	1,325,177	1,325,177	1,325,177	1,325,177	1,325,177
Furniture/equipment	262,292	262,292	257,185	247,432	242,471
Fiscal Services					
Furniture/equipment	-	-	-	-	-
Business services					
Buildings/improvements	371,703	371,703	371,703	371,703	371,703
Furniture/equipment	10,886	44,793	44,793	72,165	60,433
Vehicles	208,792	208,792	208,792	175,698	138,498
Operation & maintenance					
Land/improvements	962,419	962,419	904,080	818,129	818,129
Buildings/improvements	9,363,636	9,331,631	4,976,260	3,412,115	3,412,115
Furniture/equipment	2,195,345	1,384,455	1,285,448	884,853	882,711
Vehicles	509,526	481,958	493,958	536,946	536,946
Student transportation					
Land/improvements	294,084	294,084	294,084	294,084	294,084
Buildings/improvements	1,522,948	1,525,600	1,522,948	1,522,948	1,522,948
Furniture/equipment	407,414	365,118	280,564	180,134	180,133
Buses	8,439,662	8,439,662	8,038,576	8,276,589	8,362,723
Central services					
Land/improvements	147,122	147,122	147,122	147,122	
Buildings/improvements	3,443,255	3,443,255	3,443,255	3,443,255	3,440,603
Furniture/equipment	5,007,059	5,051,517	4,616,523	4,266,972	3,959,165
Food service operations					
Buildings/improvements	548,287	548,287	12,330	12,330	12,330
Furniture/equipment	1,436,241	1,323,980	1,193,712	1,158,473	1,148,619
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	219,848	202,053	141,235	106,403	49,338
Extra-curricular activities					
Land/improvements	3,366,770	3,366,770	3,366,770	3,361,870	3,248,245
Buildings/improvements	1,994,183	1,739,139	1,739,139	1,213,357	1,213,357
Furniture/equipment	615,822	621,281	607,289	625,835	609,725
<b>Total governmental activities capital assets</b>	<b>\$261,217,168</b>	<b>\$253,819,705</b>	<b>\$246,755,209</b>	<b>\$244,149,088</b>	<b>\$242,721,740</b>

Source - School District records

	2011	2010	2009	2008	2007
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$9,704,221	\$9,690,088	\$9,690,088	\$9,653,688	\$9,396,188
Buildings/improvements	196,110,779	186,946,789	187,013,330	187,065,017	184,756,845
Furniture/equipment	2,060,243	2,278,700	2,293,383	2,313,267	2,194,641
Vehicles	19,500	5,100	5,100	5,100	-
Special Instruction					
Land/improvements	-	-	-	-	-
Buildings/improvements	1,300,260	-	-	-	-
Furniture/equipment	115,372	97,385	96,665	85,091	79,469
Vocational Instruction					
Buildings/improvements	-	110,873	110,873	110,873	110,873
Furniture/equipment	5,038	5,038	5,038	5,038	5,038
Vehicles	21,479	21,479	21,479	17,279	17,279
Pupil Support					
Land/improvements	3,550	3,550	3,550	3,550	3,550
Buildings/improvements	312,235	312,235	312,235	312,235	312,235
Furniture/equipment	29,267	37,382	33,599	33,599	33,599
Instructional Support Staff					
Land/improvements	-	-	-	-	-
Furniture/equipment	66,400	66,400	87,534	24,279	10,579
General Administration					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	7,712	-	-	-	-
School Administration					
Buildings/improvements	1,286,547	-	-	-	-
Furniture/equipment	211,741	240,967	240,967	240,967	127,921
Fiscal Services					
Furniture/equipment	5,900	13,376	13,376	13,376	13,376
Business services					
Buildings/improvements	367,265	96,600	96,600	96,600	96,600
Furniture/equipment	33,907	33,907	33,907	33,907	49,015
Vehicles	101,065	101,065	101,065	101,065	101,065
Operation & maintenance					
Land/improvements	810,889	810,889	424,038	368,112	365,607
Buildings/improvements	3,406,849	3,354,284	3,344,317	2,764,203	2,751,812
Furniture/equipment	849,489	777,594	697,625	646,064	529,916
Vehicles	563,789	552,289	585,688	585,688	515,627
Student transportation					
Land/improvements	294,084	294,084	294,083	294,083	294,084
Buildings/improvements	1,537,948	34,648	34,648	34,648	34,648
Furniture/equipment	169,281	120,215	95,549	82,602	73,277
Buses	6,994,966	7,454,228	6,920,283	6,681,420	6,302,986
Central services					
Land/improvements					
Buildings/improvements	3,440,603	288,201	288,201	288,201	288,201
Furniture/equipment	2,781,666	1,980,122	1,856,664	1,407,719	1,262,331
Food service operations					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	1,127,123	1,128,640	1,133,419	1,212,010	1,209,478
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	22,387	6,832	6,832	6,832	6,832
Extra-curricular activities					
Land/improvements	2,198,567	1,630,604	1,630,604	799,590	752,047
Buildings/improvements	1,213,357	542,483	542,483	542,483	537,478
Furniture/equipment	584,695	517,623	427,907	347,139	290,503
Total governmental activities capital assets	<u>\$237,806,943</u>	<u>\$219,602,439</u>	<u>\$218,489,899</u>	<u>\$216,224,494</u>	<u>\$212,571,869</u>

Westerville City School District  
School Building Information  
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Alcott Elementary (2002)										
Square feet	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309
Capacity (students)	600	625	650	707	700	700	639	639	614	614
Enrollment	530	543	626	666	669	681	719	686	689	669
Annehurst Elementary (1970)										
Square feet	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747
Capacity (students)	450	450	425	425	450	450	365	365	365	365
Enrollment	396	377	400	366	362	367	366	369	348	354
Central College Elementary (1931)										
Square feet	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470
Capacity (students)	125	125	125	125	125	125	106	106	106	89
Enrollment	Closed	Closed	Closed	Closed	129	129	130	127	126	126
Cherrington Elementary (1968)										
Square feet	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348	41,348
Capacity (students)	475	450	450	450	425	391	350	350	374	374
Enrollment	427	427	401	394	400	377	363	339	336	338
Emerson Elementary (1896)										
Square feet	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005
Capacity (students)	275	250	250	250	250	250	240	240	265	265
Enrollment	239	228	196	215	252	255	251	244	240	225
Fouse Elementary (2002)										
Square feet	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309
Capacity (students)	675	675	675	700	700	700	639	639	614	614
Enrollment	630	694	698	712	698	722	686	670	656	648
Hanby Elementary (1922)										
Square feet	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532
Capacity (students)	275	350	425	450	407	382	226	226	292	292
Enrollment	285	251	209	375	353	352	340	327	330	294
Hawthorne Elementary (1957)										
Square feet	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888	62,888
Capacity (students)	700	675	675	650	700	732	650	650	648	648
Enrollment	651	637	616	628	639	665	635	633	660	676
Huber Ridge Elementary (1964)										
Square feet	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464	55,464
Capacity (students)	575	600	600	600	600	600	549	549	549	549
Enrollment	508	538	557	551	579	580	566	552	540	518
Longfellow Elementary (1931)										
Square feet	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753
Capacity (students)	100	125	125	125	125	125	91	91	91	91
Enrollment	99	Closed	Closed	Closed	129	130	130	125	125	124
Mark Twain Elementary (1974)										
Square feet	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864
Capacity (students)	550	550	525	475	450	450	419	419	419	419
Enrollment	559	537	517	485	469	468	468	468	462	434
McVay Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	500	525	525	475	475	539	418	429	478	478
Enrollment	494	497	506	494	451	501	469	478	477	480
Pointview Elementary (1973)										
Square feet	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893
Capacity (students)	300	375	350	357	382	357	319	319	348	348
Enrollment	291	297	284	276	278	306	314	317	335	349

Source: School District Records.

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

N/A - Not available, building was not open.

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Robert Frost Elementary (1974)										
Square feet	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763
Capacity (students)	525	475	525	525	525	539	460	460	437	437
Enrollment	445	423	470	477	469	492	435	436	387	371
Whittier Elementary (1952)										
Square feet	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097	46,097
Capacity (students)	400	375	350	421	421	421	339	339	377	377
Enrollment	332	311	322	367	359	339	342	302	284	313
Wilder Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	550	550	525	475	500	532	434	459	483	483
Enrollment	474	516	544	505	452	489	482	468	474	492
Blendon Middle School (1969)										
Square feet	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025	79,025
Capacity (students)	675	675	650	650	650	650	550	550	564	581
Enrollment	721	718	720	698	684	627	611	583	574	578
Genoa Middle School (1998)										
Square feet	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955	143,955
Capacity (students)	975	1,000	975	975	988	975	970	993	960	892
Enrollment	909	917	944	982	1,025	1,052	997	976	961	897
Heritage Middle School (1989)										
Square feet	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945
Capacity (students)	925	900	900	900	900	900	754	735	749	633
Enrollment	932	928	889	907	882	813	845	833	851	862
Walnut Springs Middle School (1965)										
Square feet	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068	99,068
Capacity (students)	925	900	888	888	825	825	751	751	799	733
Enrollment	941	921	927	899	894	900	847	872	880	951
Westerville Central High School (2003)										
Square feet	291,000	291,000	291,000	291,000	326,102	326,102	326,102	326,102	326,102	326,102
Capacity (students)	1,765	1,743	1,743	1,743	1,677	1,677	1,683	1,705	1,746	1,751
Enrollment	1,733	1,690	1,654	1,579	1,653	1,575	1,559	1,552	1,548	1,536
Westerville North High School (1975)										
Square feet	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928	266,928
Capacity (students)	1,670	1,648	1,670	1,714	1,736	1,759	1,592	1,572	1,556	1,487
Enrollment	1,473	1,505	1,394	1,443	1,483	1,492	1,548	1,534	1,533	1,624
Westerville South High School (1960)										
Square feet	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583
Capacity (students)	1,698	1,698	1,698	1,676	1,655	1,655	1,428	1,414	1,415	1,255
Enrollment	1,565	1,502	1,559	1,535	1,535	1,521	1,519	1,481	1,478	1,449
Early Learning Center										
Square feet	55,228	55,228	55,228	55,228	55,228	55,228	8,320	8,320	N/A	N/A
Enrollment	257	263	241	151	159	N/A	N/A	N/A	N/A	N/A
Academic Enrichment Center (1974)										
Square feet	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580	8,580
White House (1873)										
Square feet	Sold	Sold	Sold	2,596	2,596	2,596	2,596	2,596	2,596	2,596
Warehouse (1980)										
Square feet	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239	3,239
Buildings & Grounds (1987)										
Square feet	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700	8,700
Farmhouse (1905)										
Square feet	2,243	2,243	2,243	2,243	2,243	2,243	1,500	1,500	1,500	1,500
Transportation (1954)										
Square feet	15,713	15,713	15,713	15,713	15,713	15,713	8,400	8,400	8,400	8,400
Vine Street (1922)										
Square feet	Sold	3,502	3,502	3,502	3,502	3,502	3,502	3,502	3,502	3,502

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

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>3rd Grade Achievement Tests:</b>										
Reading	88%	87%	86%	86%	90%	88%	91%	92%	88%	N/A
Math	90%	89%	88%	84%	92%	90%	89%	89%	80%	77%
<b>4th Grade Proficiency/Achievement Tests:</b>										
Writing	86%	87%	90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	90%	91%	89%	87%	91%	92%	94%	92%	76%	N/A
Mathematics	85%	81%	88%	86%	85%	91%	88%	85%	75%	77%
<b>5th Grade Achievement Tests</b>										
Reading	88%	82%	86%	85%	83%	88%	89%	82%	85%	N/A
Mathematics	67%	67%	75%	80%	79%	82%	86%	78%	76%	74%
Science	75%	74%	82%	82%	82%	82%	81%	78%	75%	77%
Social Studies	69%	73%	77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>6th Grade Proficiency/Achievement Tests:</b>										
Reading	81%	86%	86%	91%	91%	90%	89%	91%	86%	N/A
Mathematics	79%	83%	82%	84%	85%	86%	85%	90%	73%	60%
<b>7th Grade Achievement Tests:</b>										
Reading	85%	84%	86%	86%	84%	87%	88%	92%	74%	N/A
Mathematics	84%	79%	86%	81%	87%	85%	86%	85%	78%	66%
Writing	91%	87%	85%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>8th Grade Achievement Tests:</b>										
Reading	88%	88%	83%	88%	90%	91%	92%	92%	84%	N/A
Mathematics	83%	82%	84%	83%	82%	89%	87%	89%	75%	64%
Science	69%	70%	71%	75%	77%	84%	80%	80%	82%	76%
Social Studies	60%	68%	65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>10th Grade Ohio Graduation Test:</b>										
Writing	94%	93%	95%	92%	94%	93%	91%	93%	93%	N/A
Reading	90%	92%	91%	92%	93%	93%	93%	96%	93%	N/A
Mathematics	87%	89%	90%	91%	92%	91%	91%	90%	90%	N/A
Social Studies	84%	91%	90%	93%	91%	91%	90%	90%	91%	N/A
Science	79%	85%	85%	83%	85%	87%	87%	88%	86%	N/A
<b>11th Grade Ohio Graduation Test:</b>										
Writing	N/A	N/A	N/A	N/A	N/A	97%	96%	96%	97%	96%
Reading	N/A	N/A	N/A	N/A	N/A	97%	97%	97%	98%	97%
Mathematics	N/A	N/A	N/A	N/A	N/A	96%	95%	95%	96%	95%
Social Studies	N/A	N/A	N/A	N/A	N/A	95%	95%	95%	96%	96%
Science	N/A	N/A	N/A	N/A	N/A	93%	93%	92%	94%	92%

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

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<b>ACT Scores (Averages)</b>										
Westerville	22.2	23.0	22.4	23.0	22.1	22.5	23.0	22.5	22.9	22.8
National	21.2	21.1	21.1	21.0	21.1	21.1	20.9	21.0	21.0	20.8
<b>SAT Scores (Averages)</b>										
Westerville	538	544	525	541	564	546	557	567	544	558
Verbal - Critical Reading	571	569	551	531	557	553	574	576	558	570
National	501	500	499	500	497	496	496	497	495	494
Verbal - Critical Reading	514	514	514	515	514	514	514	513	511	508
Mathematics										
National Merit Scholars (Percent of Senior Class)	1.47	1.50	1.86	0.94	1.49	1.54	1.98	1.07	1.36	0.87
<b>ODE Per Pupil Costs</b>										
Westerville	\$9,236	\$9,874	\$10,426	\$10,067	\$10,891	\$10,720	\$9,670	\$8,438	\$8,837	N/A
State Avg.	\$9,587	\$9,939	\$10,184	\$10,512	\$10,571	\$10,507	\$10,149	\$9,189	\$9,228	N/A
<b>Cost to Educate Graduate</b>										
Westerville	\$94,531	\$98,815	\$103,435	\$107,813	\$112,369	\$116,570	\$119,345	\$120,383	\$121,524	\$122,297
State Avg.	\$97,362	\$101,948	\$106,848	\$111,421	\$115,760	\$119,625	\$122,717	\$124,304	\$125,459	\$125,735
Average Teacher Salary	\$61,487	\$63,000	\$63,995	\$65,679	\$60,681	\$61,194	\$59,612	\$63,580	\$62,790	\$64,921
<b>Teacher Experience</b>										
% of Teachers with 0-4 Years	16.0	21.7	14.7	18.7	16.7	24.4	23.04	25.46	26.11	29.76
% of Teachers with 5-9 Years	19.3	22.9	19.6	20.6	24.6	19.9	20.74	19.50	17.60	16.87
% of Teachers with 10+ Years	64.7	55.3	65.7	60.7	58.7	55.7	56.21	55.04	56.18	53.18
<b>Percentage of Teachers with a Master's Degree or Higher</b>										
	72.0	74.1	72.0	71.7	71.0	74.2	66.6	62.8	62.76	72.09
<b>Percentage of Students on Free/Reduced Lunch</b>										
	22.2	22.0	25.2	26.4	28.3	30.7	32.2	33.5	35.5	33.8

Source: School District Student Records and Ohio Department of Education

N/A = Not Available

**Westerville City School District**

**Westerville, Ohio**



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# Dave Yost • Auditor of State

**WESTERVILLE CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 19, 2017**