

# Westerville City School District

## Comprehensive Annual Financial Report

For Fiscal Year Ended  
June 30, 2017



Board of Education  
Westerville City School District  
Westerville, Ohio





# Dave Yost • Auditor of State

Board of Education  
Westerville City School District  
936 Eastwind Drive  
Westerville, Ohio 43081

We have reviewed the *Independent Auditor's Report* of the Westerville City School District, Franklin County, prepared by Julian & Grube, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

February 8, 2018

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**Westerville City School District**

**Westerville, Ohio**



**Comprehensive Annual Financial Report**

**For Fiscal Year Ended June 30, 2017**

**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, 2017*

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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 18, 2017

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, 2017. 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, 2017*

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The Westerville City School District (the District) is located in Central Ohio, immediately northeast of the City of Columbus. Encompassing 52 square miles, the District includes land in the City of Westerville, Village of Minerva Park, City of Columbus, Franklin County, and Delaware County. Westerville is a growing residential suburb with a school district enrollment of 15,079, and the District’s estimated population is 96,001 (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, 2017, were as follows:

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

## WESTERVILLE CITY SCHOOL DISTRICT, OHIO

### *Letter of Transmittal*

*For the Fiscal Year Ended June 30, 2017*

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The Superintendent of Schools is the Chief Executive and Administrative Officer for the Westerville Board of Education. On July 1, 2013, John Kellogg, Ed.D. was appointed Superintendent. Dr. Kellogg, in this capacity, directs and supervises the work of all the schools, offices, and employees of the Board, except the Treasurer and the Treasurer's staff. Dr. Kellogg is in his 33rd 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 24+ 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 remained fairly steady with unemployment in June of 2016 of approximately 3.5% increasing to 3.7% as of June 2017. Employment in the District is diversified with a majority in the finance and insurance sector.

The District has an excellent relationship with the City of Westerville, which assures that development projects selected by the City are also highly desirable for the District. When the City of Westerville uses an incentive to attract a business, it primarily uses Community Reinvestment Areas (CRAs) or Tax Increment Financing (TIF) areas. In either case, the District is reimbursed for a portion of property taxes it would have collected through an agreement with the City of Westerville. The District and City maintain a strong working relationship to attract desirable development to the community.

### **EMPLOYEE RELATIONS**

The District currently has approximately 1,800 full-time and part-time employees. Four organizations represent District employees. 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, 2017*

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Certified Staff

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

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, 2017*

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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 October 2017, shows a positive available fund balance through 2022.

#### **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, 2016. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

##### **Independent Audit**

State statutes require a bi-annual audit by independent auditor's unless a single audit is required. Julian & Grube, Inc. conducted the District's 2017 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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**


*Letter of Transmittal*


*For the Fiscal Year Ended June 30, 2017*

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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 would not be possible.

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, 2017*

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**BOARD OF EDUCATION**

President

Rick Vilardo

Vice President

Dr. Nancy Nestor-Baker

Member

Richard Bird

Member

Gerrie Cotter

Member

Tracy Davidson

**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

Mike Starner

Principal, Westerville Central High School

Todd Spinner

Principal, Blendon Middle School

Kendall Harris

Principal, Genoa Middle School

Carrie Trusley

Principal, Heritage Middle School

Amy Tankovich

Principal, Walnut Springs Middle School

Becca Yann

Principal, Alcott Elementary School

Lauren DeMars

Principal, Annehurst Elementary School

Earl Rahm

Principal, Cherrington Elementary School

Andy Heck

Principal, Emerson Elementary School

Chris Doolittle

Principal, Fouse Elementary School

Robert Stranges

Principal, Hanby Elementary School

Monica Brown

Principal, Hawthorne Elementary School

Angela Ervin

Principal, Huber Ridge Elementary School

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

Sarah Berka

Principal, Whittier Elementary School

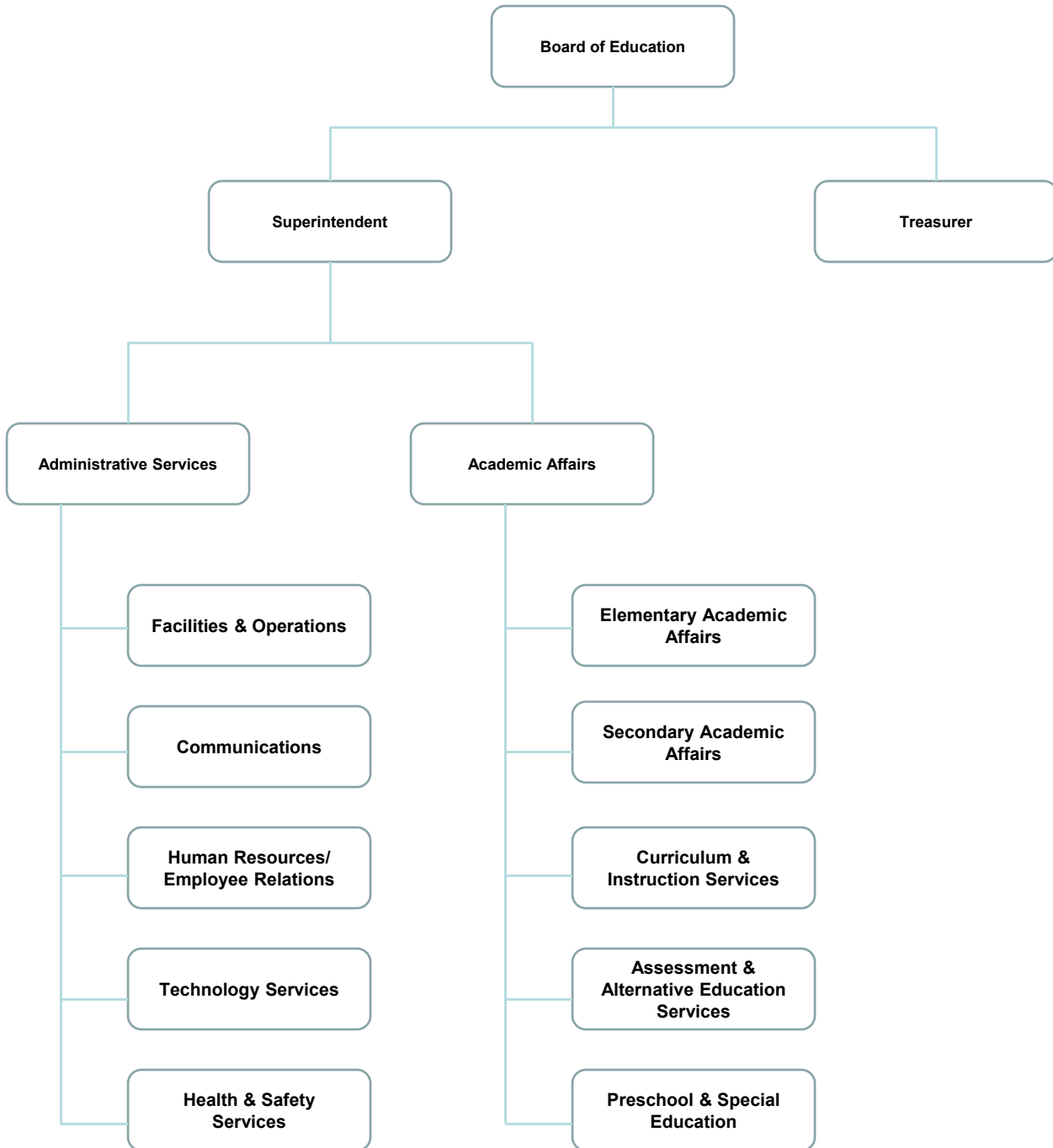
Cheryl Relford

Principal, Wilder Elementary School

Dr. Victoria Hazlett

# Westerville City School District, Ohio

Table of Organization for Administrators  
For Fiscal Year ended June 30, 2017





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, 2016**

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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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

Independent Auditor's Report

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

To the Board of Education:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville City School District, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Westerville City School District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

Independent Auditor's Report  
Westerville City School District

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Westerville City School District, Franklin County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

Independent Auditor's Report  
Westerville City School District

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the Westerville City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Westerville City School District's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.  
December 18, 2017

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*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, 2017. 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 \$9.9 million or 100.6%. Program revenues accounted for \$25.9 million or 12.4% of total revenues, and general revenues accounted for \$182.2 million or 87.7%.

The general fund reported a positive fund balance of \$121.9 million.

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

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

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

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

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

While this document contains a large number of funds utilized by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did the District perform financially in 2017?" The Statement of Net Position and the Statement of Activities help to answer this question. These statements include *all assets plus deferred outflows of resources* and *liabilities plus deferred inflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by private sector corporations. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Management's Discussion & Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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

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

*Fund Financial Statements*

Our analysis of the District's major funds begins on page 22. The fund financial statements begin on page 30 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 39-40. We exclude these activities from the District's other financial statements because the net position cannot be utilized by the District to finance its operations.

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

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows were greater than liabilities plus deferred inflows by \$60 thousand 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, \$81.1 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

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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 2017 to 2016.

	2017	2016
Current assets	\$254,114,876	\$240,243,105
Capital assets	<u>152,189,150</u>	<u>152,057,735</u>
Total assets	406,304,026	392,300,840
Deferred outflows	63,550,371	29,346,463
Current liabilities	29,444,804	26,777,180
Long term liabilities	<u>357,685,501</u>	<u>306,108,719</u>
Total liabilities	387,130,305	332,885,899
Deferred inflows	82,664,257	98,583,932
Net position:		
Net investment in		
capital assets	81,138,315	71,795,686
Restricted	18,597,612	17,174,078
Unrestricted	<u>(99,676,092)</u>	<u>(98,792,292)</u>
Total net position	<u>\$59,835</u>	<u>(\$9,822,528)</u>

An additional portion of the District's net position, \$18.6 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 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

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governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the 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 outflows of resources related to pension on the accrual basis of accounting.



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Table 2 shows the changes in net position for fiscal year 2017 and 2016.

(Table 2)  
Changes in Net Position

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues		
Charges for services	\$ 7,199,141	\$ 6,723,667
Operating grants	18,488,351	17,269,656
Capital grants	<u>176,247</u>	<u>-</u>
Total program revenues	<u>25,863,739</u>	<u>23,993,323</u>
General revenues		
Property taxes	125,949,770	123,763,708
Grants and entitlements	52,312,476	49,942,547
Payment in lieu of taxes	3,435,072	3,204,684
Investment income	304,147	969,058
Miscellaneous	<u>207,208</u>	<u>241,113</u>
Total general revenues	<u>182,208,673</u>	<u>178,121,110</u>
Total revenues	<u>\$ 208,072,412</u>	<u>\$ 202,114,433</u>
Expenses		
Instruction		
Regular	\$ 84,233,891	\$ 73,908,072
Special	31,521,679	28,042,044
Vocational	444,595	405,855
Other	583,781	501,539
Support services		
Pupil	16,292,308	13,872,815
Instructional staff	6,628,390	5,737,536
Board of Education	1,177,092	1,022,775
Administration	12,900,657	12,301,803
Fiscal	3,102,165	2,937,632
Business	1,481,475	1,116,402
Operations and maintenance	13,981,402	12,956,102
Pupil transportation	9,111,824	8,373,304
Central services	2,882,809	2,722,004
Other non-instructional services	1,551,059	1,564,744
Food service operations	5,697,364	5,167,219
Extracurricular activities	3,568,071	3,471,963
Interest and fiscal charges	<u>3,031,487</u>	<u>3,306,935</u>
Total expenses	<u>\$ 198,190,049</u>	<u>\$ 177,408,744</u>
Change in net position	9,882,363	24,705,689
Net position, beginning of year	<u>(9,822,528)</u>	<u>(34,528,217)</u>
Net position, end of year	<u>\$ 59,835</u>	<u>\$ (9,822,528)</u>

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*Governmental Activities*

The net position of the District's governmental activities increased by \$9.9 million. Unrestricted net position reflects a negative balance of \$99.7 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 2022, Board of Education has reinstated many of the reductions in staff and programs that had remained in effect since the passage of an emergency levy in 2012 as well as implemented some new programs. The most significant of these was the Teaching and Learning Roadmap which 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.

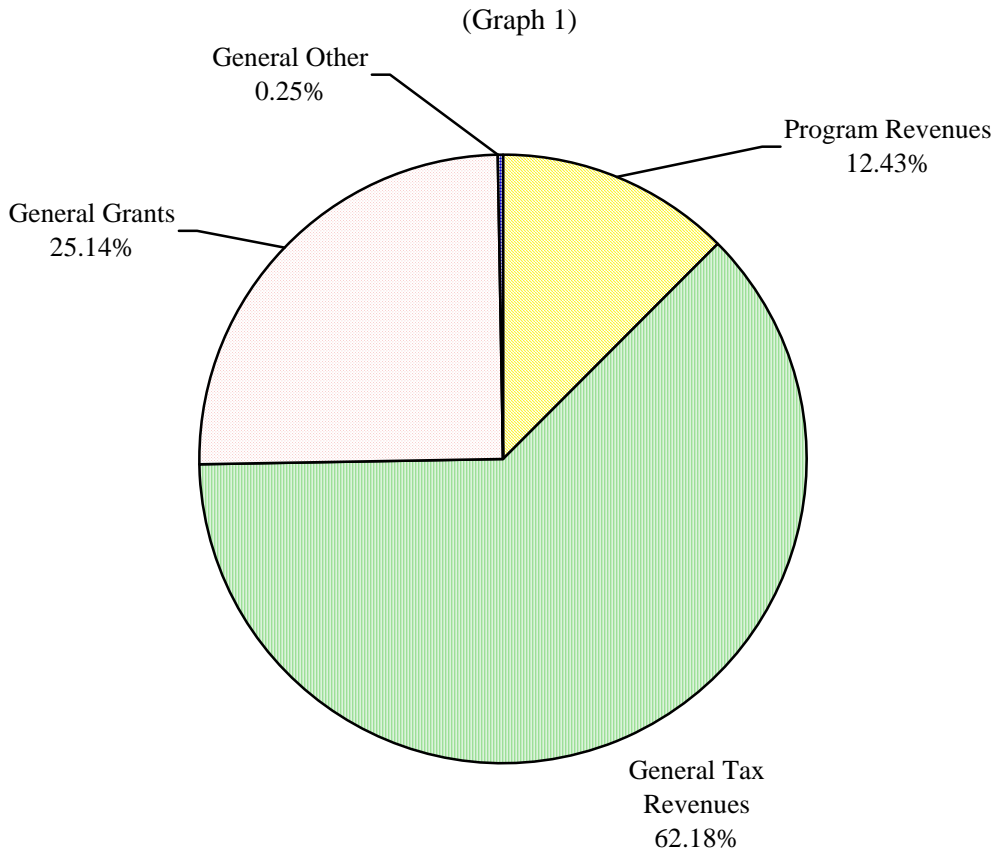
(Table 3)

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Program expenses				
Instruction				
Regular	\$ 84,233,891	\$ 73,908,072	\$ 81,578,199	\$ 71,918,937
Special	31,521,679	28,042,044	21,003,102	18,043,815
Vocational	444,595	405,855	(25,555)	(64,128)
Other	583,781	501,539	523,838	361,817
Support services				
Pupil	16,292,308	13,872,815	15,540,697	13,260,570
Instructional staff	6,628,390	5,737,536	5,658,926	4,789,366
Board of Education	1,177,092	1,022,775	1,177,092	1,022,775
Administration	12,900,657	12,301,803	12,628,676	12,039,988
Fiscal	3,102,165	2,937,632	3,077,678	2,896,301
Business	1,481,475	1,116,402	1,481,475	1,116,402
Operations and maintenance	13,981,402	12,956,102	13,136,364	12,189,872
Pupil transportation	9,111,824	8,373,304	8,439,145	7,868,783
Central	2,882,809	2,722,004	2,845,009	2,684,204
Other non-instructional services	1,551,059	1,564,744	279,609	398,311
Food service operations	5,697,364	5,167,219	(365,497)	(482,497)
Extracurricular activities	3,568,071	3,471,963	2,316,065	2,063,970
Interest and fiscal charges	3,031,487	3,306,935	3,031,487	3,306,935
Total expenses	<u>\$ 198,190,049</u>	<u>\$ 177,408,744</u>	<u>\$ 172,326,310</u>	<u>\$ 153,415,421</u>

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The District's reliance upon tax revenues is demonstrated by the graph below indicating 62.2% of total revenues from local taxes. The other large portion of general revenue support is the State Foundation program as 25.2% of total revenues. The reliance on general revenues is indicated by the net services column reflecting the need for \$171.3 million of support as well as the graph indicating general revenues comprise 87.6% of total revenues.



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***The District's Funds***

The District's governmental funds (as presented on the Balance Sheet on page 30-31) reported a combined fund balance of \$142 million, which represents an increase of \$15.5 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2017 and 2016.

(Table 4)

	Fund Balance June 30, 2017	Fund Balance June 30, 2016	Increase
General	\$ 121,855,807	\$ 108,548,741	\$ 13,307,066
Debt Service	8,497,852	8,462,043	35,809
Permanent Improvement	8,140,625	6,535,495	1,605,130
Other Governmental	3,508,236	2,973,531	534,705
Total	<u>\$ 142,002,520</u>	<u>\$ 126,519,810</u>	<u>\$ 15,482,710</u>

***General Fund***

The District's general fund balance has increased in each of the last three years due to revenues that continue to increase and exceed expenditures. Property tax revenue increased \$2 million due to increasing property values. Intergovernmental – state revenue increased \$2.1 million due to increased State Aid. State Aid is based on a complex funding formula created by the State. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

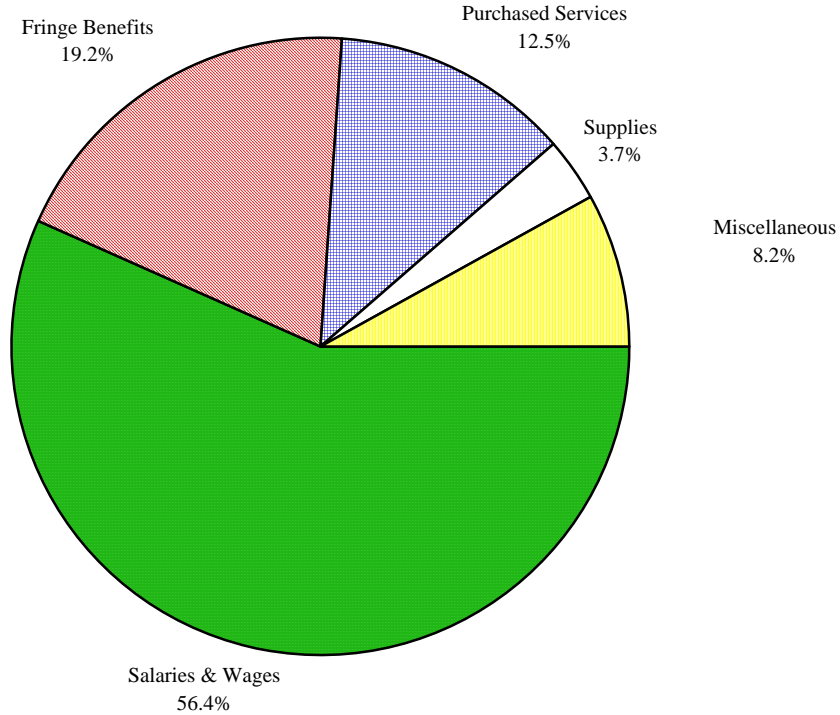
(Table 5)

Revenues by Source	2017	2016	% Change
Revenues			
Taxes	\$ 110,333,526	\$ 108,350,820	1.83%
Payment in lieu of taxes	3,435,072	3,204,684	7.19%
Intergovernmental - state	57,693,871	55,553,364	3.85%
Other revenue	4,981,167	5,046,025	-1.29%
Total	<u>\$ 176,443,636</u>	<u>\$ 172,154,893</u>	<u>2.49%</u>

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

(Graph 2)



(Table 6)

<b>Expenditures by Object</b>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Salaries and Wages	\$ 91,987,669	\$ 87,943,390	4.60%
Fringe Benefits	31,232,818	30,041,974	3.96%
Purchased Services	20,439,711	19,368,208	5.53%
Supplies	6,017,915	5,235,280	14.95%
Miscellaneous	<u>13,409,024</u>	<u>12,530,545</u>	<u>7.01%</u>
Total	<u>\$ 163,087,137</u>	<u>\$ 155,119,397</u>	<u>5.14%</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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Expenditures have increased \$8 million over the prior year. Salaries and wages and fringe benefits have increased \$5.2 million due to salary increases and rising costs of medical insurance. In fiscal year 2017 all employees received raises and steps that averaged ~4%. Also, some media, custodial and transportation staff that had been reduced since the passage of the emergency levy in 2012 were restored in FY '17. Medical premiums increased ~4% in 2017. Purchased Services increased \$1.1 million due to students educated out of the District through community schools, open enrollment to other Districts and special needs students using the Autism and Peterson Scholarships state programs to attend elsewhere. Supplies increased \$800 thousand as the Board adopted new courses of study to create an Engineering Pathway at the high schools which had expenses for new software, textbooks and Chromebooks. Miscellaneous increased \$900 thousand due to increased staffing costs for substitutes and special education aides purchased through the Education Service Center.

*Other Funds*

The District's debt service fund balance increased by \$36 thousand. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees.

The permanent improvement fund had a increase in fund balance of \$1.6 million. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund were \$4.6 million for District facilities acquisition and construction costs and a transfer to the debt service fund of \$3 million to be used for debt repayment. The change in fund balance is mainly due to timing of expenditures.

Other governmental funds consist of special revenue funds. The increase in fund balance of \$534 thousand is primarily due to the increase in the Food Service fund as a result of federally regulated meal prices exceeding the expenditures of the program.

**General Fund Budget Information**

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. There were not any significant changes between the original budgeted revenues and the final budgeted revenues. The budget for tuition, fees, interest and miscellaneous did increase \$1.3 million to due to increased reimbursements for catastrophic costs and payments in lieu of taxes. On the expenditure side of the budget the District approved a Temporary Appropriations measure in June 2016 which included an estimated 95% of total expenditures for the General Fund. In July 2016 the District approved a Final Appropriations measure that included 100% of expenditures for the General Fund. The increase to the budgeted expenditures of \$8.2 million were allocated primarily to salaries and wages and purchased services.

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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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**Capital Assets**

The District has \$152.2 million invested in capital assets net of depreciation. Acquisitions totaled \$12.0 million and depreciation was \$7.7 million. Capital asset disposals, net of accumulated depreciation, were \$20 thousand. The acquisitions were for various land and building improvements, equipment and buses.

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

**Debt**

At June 30, 2017, the District had \$71.7 million in outstanding bonds. The District paid \$8.5 million in principal on bonds outstanding and \$2.4 million in interest during the fiscal year.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2017, the District's general obligation debt was below the legal limit.

For more detailed information regarding the District's debt, refer to Note 10 in the notes to the basic financial statements.

**Requests for Information**

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

**Westerville City School District**

**Westerville, Ohio**



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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2017

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 116,685,285
Receivables:	
Property taxes . . . . .	132,297,574
Payment in lieu of taxes . . . . .	2,307,259
Accounts. . . . .	100,368
Accrued interest . . . . .	146,762
Intergovernmental . . . . .	1,423,903
Prepayments . . . . .	1,128,921
Materials and supplies inventory. . . . .	8,687
Inventory held for resale. . . . .	16,117
Capital assets:	
Nondepreciable capital assets . . . . .	6,062,796
Depreciable capital assets, net. . . . .	146,126,354
Capital assets, net . . . . .	<u>152,189,150</u>
Total assets. . . . .	<u>406,304,026</u>
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	2,610,146
Pension - STRS . . . . .	51,060,727
Pension - SERS . . . . .	9,879,498
Total deferred outflows of resources . . . . .	<u>63,550,371</u>
 <b>Liabilities:</b>	
Accounts payable. . . . .	2,192,255
Accrued wages and benefits payable . . . . .	11,688,908
Intergovernmental payable . . . . .	373,314
Pension and postemployment obligation payable. . . . .	2,157,901
Accrued interest payable . . . . .	209,402
Unearned revenue . . . . .	1,526,854
Claims payable. . . . .	1,322,485
Matured bonds payable . . . . .	31,522
Long-term liabilities:	
Due within one year. . . . .	9,942,163
Due in more than one year:	
Net pension liability (See Note 14) . . . . .	278,283,450
Other amounts due in more than one year . . . . .	79,402,051
Total liabilities . . . . .	<u>387,130,305</u>
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	80,356,998
Payment in lieu of taxes levied for the next fiscal year . . . . .	2,307,259
Total deferred inflows of resources . . . . .	<u>82,664,257</u>
 <b>Net position:</b>	
Net investment in capital assets . . . . .	81,138,315
Restricted for:	
Capital projects . . . . .	8,411,928
Debt service. . . . .	6,871,587
Locally funded programs . . . . .	28,508
State funded programs. . . . .	132,885
Federally funded programs . . . . .	71,006
Student activities . . . . .	641,816
Other purposes . . . . .	2,439,882
Unrestricted (deficit) . . . . .	(99,676,092)
Total net position. . . . .	<u>\$ 59,835</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 84,233,891	\$ 2,441,220	\$ 214,472	\$ -
Special . . . . .	31,521,679	222,364	10,296,213	-
Vocational . . . . .	444,595	-	470,150	-
Other . . . . .	583,781	-	59,943	-
Support services:				
Pupil. . . . .	16,292,308	154,985	596,626	-
Instructional staff . . . . .	6,628,390	-	969,464	-
Board of education . . . . .	1,177,092	-	-	-
Administration. . . . .	12,900,657	-	271,981	-
Fiscal. . . . .	3,102,165	-	24,487	-
Business. . . . .	1,481,475	-	-	-
Operations and maintenance . . . . .	13,981,402	845,038	-	-
Pupil transportation. . . . .	9,111,824	-	496,432	176,247
Central . . . . .	2,882,809	-	37,800	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	1,551,059	-	1,271,450	-
Food service operations . . . . .	5,697,364	2,354,167	3,708,694	-
Extracurricular activities. . . . .	3,568,071	1,181,367	70,639	-
Interest and fiscal charges . . . . .	3,031,487	-	-	-
<b>Total governmental activities . . . . .</b>	<b>198,190,049</b>	<b>7,199,141</b>	<b>18,488,351</b>	<b>176,247</b>

**General revenues:**

- Property taxes levied for:
  - General purposes . . . . .
  - Debt service. . . . .
  - Capital outlay. . . . .
  - Payments in lieu of taxes. . . . .
  - Grants and entitlements not restricted to specific programs . . . . .
  - Investment earnings . . . . .
  - Miscellaneous . . . . .

Total general revenues . . . . .

Change in net position . . . . .

**Net position (deficit) at beginning of year . . . . .**

**Net position at end of year. . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>Net (Expense)</b>	
<b>Revenue and Changes</b>	
<b>in Net Position</b>	
<b>Governmental</b>	
<b>Activities</b>	
\$	(81,578,199)
	(21,003,102)
	25,555
	(523,838)
	(15,540,697)
	(5,658,926)
	(1,177,092)
	(12,628,676)
	(3,077,678)
	(1,481,475)
	(13,136,364)
	(8,439,145)
	(2,845,009)
	(279,609)
	365,497
	(2,316,065)
	(3,031,487)
	(172,326,310)
	110,181,415
	7,611,818
	8,156,537
	3,435,072
	52,312,476
	304,147
	207,208
	182,208,673
	9,882,363
	(9,822,528)
\$	59,835

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<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. . . . .	\$ 94,480,638	\$ 5,576,524	\$ 4,971,282	\$ 3,902,926	\$ 108,931,370
Receivables:					
Property taxes. . . . .	115,648,708	8,076,345	8,572,521	-	132,297,574
Payment in lieu of taxes . . . . .	2,307,259	-	-	-	2,307,259
Accounts . . . . .	82,420	-	-	17,948	100,368
Accrued interest . . . . .	146,762	-	-	-	146,762
Interfund loans . . . . .	193,454	-	-	-	193,454
Intergovernmental. . . . .	586,145	-	-	837,758	1,423,903
Prepayments. . . . .	813,460	-	315,461	-	1,128,921
Materials and supplies inventory. . . . .	-	-	-	8,687	8,687
Inventory held for resale. . . . .	-	-	-	16,117	16,117
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	-	31,522	-	-	31,522
<b>Total assets . . . . .</b>	<b>214,258,846</b>	<b>13,684,391</b>	<b>13,859,264</b>	<b>4,783,436</b>	<b>246,585,937</b>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 1,666,099	\$ -	\$ 225,885	\$ 299,519	\$ 2,191,503
Accrued wages and benefits payable . . . . .	11,094,010	-	-	594,898	11,688,908
Compensated absences payable . . . . .	580,226	-	-	39,854	620,080
Intergovernmental payable . . . . .	365,886	-	-	7,428	373,314
Pension and postemployment obligation payable . . . . .	2,017,854	-	-	140,047	2,157,901
Interfund loans payable. . . . .	-	-	-	193,454	193,454
Unearned revenue. . . . .	53,656	-	-	-	53,656
Matured bonds payable. . . . .	-	31,522	-	-	31,522
<b>Total liabilities. . . . .</b>	<b>15,777,731</b>	<b>31,522</b>	<b>225,885</b>	<b>1,275,200</b>	<b>17,310,338</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year. . . . .	70,236,635	4,898,912	5,221,451	-	80,356,998
Payment in lieu of taxes levied for the next fiscal year. . . . .	2,307,259	-	-	-	2,307,259
Delinquent property tax revenue not available. . . . .	3,676,582	256,105	271,303	-	4,203,990
Intergovernmental revenue not available. . . . .	338,342	-	-	-	338,342
Accrued interest not available. . . . .	66,490	-	-	-	66,490
<b>Total deferred inflows of resources . . . . .</b>	<b>76,625,308</b>	<b>5,155,017</b>	<b>5,492,754</b>	<b>-</b>	<b>87,273,079</b>
<b>Total liabilities and deferred inflows of resources . . . . .</b>	<b>92,403,039</b>	<b>5,186,539</b>	<b>5,718,639</b>	<b>1,275,200</b>	<b>104,583,417</b>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2017

	<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 . . . . .	-	-	-	24,804	24,804
Prepays . . . . .	813,460	-	315,461	-	1,128,921
Restricted:					
Debt service . . . . .	-	8,497,852	-	-	8,497,852
Capital improvements . . . . .	-	-	7,825,164	-	7,825,164
Food service operations . . . . .	-	-	-	2,613,281	2,613,281
Non-public schools . . . . .	-	-	-	131,425	131,425
Special education . . . . .	-	-	-	34,993	34,993
Targeted academic assistance . . . . .	-	-	-	18,454	18,454
Other purposes . . . . .	-	-	-	47,499	47,499
Extracurricular . . . . .	-	-	-	641,816	641,816
Assigned:					
Student instruction . . . . .	433,574	-	-	-	433,574
Student and staff support . . . . .	1,335,136	-	-	-	1,335,136
Facilities acquisition and construction . . . . .	18,598	-	-	-	18,598
Unassigned . . . . .	119,255,039	-	-	(4,036)	119,251,003
Total fund balances . . . . .	<u>121,855,807</u>	<u>8,497,852</u>	<u>8,140,625</u>	<u>3,508,236</u>	<u>142,002,520</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 214,258,846</u>	<u>\$ 13,684,391</u>	<u>\$ 13,859,264</u>	<u>\$ 4,783,436</u>	<u>\$ 246,585,937</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, 2017

<b>Total governmental fund balances</b>		\$	142,002,520
<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.			152,189,150
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	4,203,990	
Accrued interest receivable		66,490	
Intergovernmental receivable		338,342	
Total		4,608,822	4,608,822
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			4,925,958
Unamortized premiums on bonds issued are not recognized in the funds.			(3,038,644)
Unamortized amounts on refundings are not recognized in the funds.			2,610,146
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(209,402)
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		60,940,225	
Net pension liability		(278,283,450)	
Total		(217,343,225)	(217,343,225)
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		(60,942,968)	
Tax anticipation notes		(10,725,000)	
Capital lease obligations		(495,922)	
Compensated absences		(13,521,600)	
Total		(85,685,490)	(85,685,490)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>59,835</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, 2017

	<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 . . . . .	\$ 110,333,526	\$ 7,633,541	\$ 8,167,669	\$ -	\$ 126,134,736
Payment in lieu of taxes . . . . .	3,435,072	-	-	-	3,435,072
Tuition. . . . .	2,257,514	-	-	-	2,257,514
Earnings on investments . . . . .	323,543	-	-	22,994	346,537
Charges for services . . . . .	-	-	-	2,329,261	2,329,261
Extracurricular. . . . .	568,159	-	-	764,613	1,332,772
Classroom materials and fees . . . . .	406,070	-	-	-	406,070
Rental income . . . . .	843,236	-	1,802	-	845,038
Contributions and donations . . . . .	59,561	-	-	141,418	200,979
Other local revenues . . . . .	209,788	-	-	25,906	235,694
Intergovernmental - state . . . . .	57,693,871	1,013,623	1,030,063	1,538,780	61,276,337
Intergovernmental - federal . . . . .	313,296	-	-	9,159,112	9,472,408
<b>Total revenues . . . . .</b>	<b>176,443,636</b>	<b>8,647,164</b>	<b>9,199,534</b>	<b>13,982,084</b>	<b>208,272,418</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular. . . . .	74,459,493	-	-	210,255	74,669,748
Special . . . . .	24,855,282	-	-	3,655,693	28,510,975
Vocational . . . . .	415,360	-	-	11,326	426,686
Other . . . . .	447,912	-	-	59,292	507,204
Support services:					
Pupil . . . . .	14,303,487	-	-	531,609	14,835,096
Instructional staff . . . . .	5,071,125	-	-	979,710	6,050,835
Board of education . . . . .	1,173,196	-	-	-	1,173,196
Administration . . . . .	11,398,032	-	-	269,019	11,667,051
Fiscal . . . . .	2,755,272	116,963	120,002	26,825	3,019,062
Business. . . . .	1,261,554	-	-	-	1,261,554
Operations and maintenance . . . . .	12,710,150	-	-	-	12,710,150
Pupil transportation . . . . .	7,833,838	-	-	1,242	7,835,080
Central . . . . .	2,152,404	-	-	37,800	2,190,204
Operation of non-instructional services:					
Other operation of non-instructional. . . . .	71,061	-	-	1,377,404	1,448,465
Food service operations. . . . .	-	-	-	5,413,295	5,413,295
Extracurricular activities . . . . .	2,144,498	-	-	876,131	3,020,629
Facilities acquisition and construction. . . . .	1,855,370	-	4,576,902	-	6,432,272
Debt service:					
Principal retirement. . . . .	149,483	8,475,000	-	-	8,624,483
Interest and fiscal charges . . . . .	29,620	2,425,118	-	-	2,454,738
Bond issuance costs . . . . .	-	108,000	-	-	108,000
<b>Total expenditures . . . . .</b>	<b>163,087,137</b>	<b>11,125,081</b>	<b>4,696,904</b>	<b>13,449,601</b>	<b>192,358,723</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	13,356,499	(2,477,917)	4,502,630	532,483	15,913,695
<b>Other financing sources (uses):</b>					
Sale of refunding bonds. . . . .	-	23,040,000	-	-	23,040,000
Sale of assets. . . . .	15,567	-	-	2,222	17,789
Transfers in. . . . .	-	2,962,500	65,000	-	3,027,500
Transfers (out). . . . .	(65,000)	-	(2,962,500)	-	(3,027,500)
Payment to refunding bond escrow agent . . . . .	-	(23,488,774)	-	-	(23,488,774)
<b>Total other financing sources (uses) . . . . .</b>	<b>(49,433)</b>	<b>2,513,726</b>	<b>(2,897,500)</b>	<b>2,222</b>	<b>(430,985)</b>
Net change in fund balances . . . . .	13,307,066	35,809	1,605,130	534,705	15,482,710
<b>Fund balances at beginning of year. . . . .</b>	<b>108,548,741</b>	<b>8,462,043</b>	<b>6,535,495</b>	<b>2,973,531</b>	<b>126,519,810</b>
<b>Fund balances at end of year. . . . .</b>	<b>\$ 121,855,807</b>	<b>\$ 8,497,852</b>	<b>\$ 8,140,625</b>	<b>\$ 3,508,236</b>	<b>\$ 142,002,520</b>

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, 2017

<b>Net change in fund balances - total governmental funds</b>	\$	15,482,710
<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	\$ 7,717,225	
Current year depreciation	(7,741,643)	
Total		(24,418)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to increase net position.		
		155,833
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(184,966)	
Earnings on investments	(23,583)	
Intergovernmental	(375,355)	
Total		(583,904)
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.		
		8,624,483
Issuance of refunding bonds 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.		
		(23,040,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	23,040,000	
Deferred charges on refundings	448,774	
Total		23,488,774
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	32,628	
Accreted interest on capital appreciation bonds	(770,749)	
Amortization of bond premiums	1,309,024	
Amortization of deferred charges	(1,039,652)	
Total		(468,749)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		13,725,209
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(25,278,068)
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.		
		(774,217)
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.		
		(1,425,290)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>9,882,363</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<b>Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Real estate taxes. . . . .	\$ 104,626,497	\$ 105,774,497	\$ 105,773,931	\$ (566)
Personal property taxes. . . . .	2,810,811	3,178,311	3,178,469	158
State revenue. . . . .	44,033,239	43,553,239	43,550,614	(2,625)
Homestead/Rollback. . . . .	14,510,000	14,079,000	14,077,856	(1,144)
Tuition, fees, interest and miscellaneous. . . . .	7,691,000	8,930,000	8,933,449	3,449
Refund of prior year expenditures. . . . .	1,035,000	994,000	992,618	(1,382)
Total revenues . . . . .	<u>174,706,547</u>	<u>176,509,047</u>	<u>176,506,937</u>	<u>(2,110)</u>
<b>Expenditures:</b>				
Salaries and wages	85,256,792	92,700,266	91,599,254	1,101,012
Benefits and insurance	32,248,226	32,248,226	31,102,419	1,145,807
Purchased services	21,741,142	22,149,852	21,729,331	420,521
Supplies and materials	6,782,793	6,727,200	6,419,722	307,478
New and replacement equipment	4,193,822	4,205,471	4,133,334	72,137
Other expenditures	10,034,105	10,472,622	10,351,634	120,988
Total expenditures . . . . .	<u>160,256,880</u>	<u>168,503,637</u>	<u>165,335,694</u>	<u>3,167,943</u>
Excess of revenues over expenditures. . . . .	<u>14,449,667</u>	<u>8,005,410</u>	<u>11,171,243</u>	<u>3,165,833</u>
Net change in fund balance . . . . .	14,449,667	8,005,410	11,171,243	3,165,833
<b>Fund balance at beginning of year . . . . .</b>	76,899,237	76,899,237	76,899,237	-
<b>Prior year encumbrances appropriated . . . . .</b>	3,721,126	3,721,126	3,721,126	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 95,070,030</u>	<u>\$ 88,625,773</u>	<u>\$ 91,791,606</u>	<u>\$ 3,165,833</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 7,722,393
Total assets. . . . .	<u>7,722,393</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	752
Claims payable . . . . .	1,322,485
Unearned revenue. . . . .	<u>1,473,198</u>
Total liabilities . . . . .	<u>2,796,435</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>4,925,958</u>
Total net position. . . . .	<u>\$ 4,925,958</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, 2017

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 19,580,103
Total operating revenues . . . . .	<u>19,580,103</u>
<b>Operating expenses:</b>	
Purchased services. . . . .	1,835,589
Claims . . . . .	19,173,991
Total operating expenses. . . . .	<u>21,009,580</u>
Operating loss. . . . .	<u>(1,429,477)</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	4,187
Total nonoperating revenues. . . . .	<u>4,187</u>
Change in net position . . . . .	(1,425,290)
<b>Net position at beginning of year. . . . .</b>	<u>6,351,248</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 4,925,958</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, 2017

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 19,761,000
Cash payments for contractual services . . . . .	(1,834,232)
Cash payments for claims . . . . .	<u>(18,973,991)</u>
Net cash used in operating activities . . . . .	<u>(1,047,223)</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>4,187</u>
Net cash provided by investing activities . . . . .	<u>4,187</u>
Net decrease in cash and cash equivalents. . . . .	(1,043,036)
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>8,765,429</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 7,722,393</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (1,429,477)
Changes in assets and liabilities:	
Increase in accounts payable. . . . .	45
Increase in unearned revenue. . . . .	180,897
Increase in claims payable . . . . .	<u>201,312</u>
Net cash used in operating activities. . . . .	<u><u>\$ (1,047,223)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2017

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents . . . . .	\$ 34,165	\$ 380,250
Total assets. . . . .	<u>34,165</u>	<u>\$ 380,250</u>
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 7,894
Due to students. . . . .	-	271,258
Due to primary government . . . . .	-	101,098
Total liabilities . . . . .	<u>-</u>	<u>\$ 380,250</u>
<b>Net position:</b>		
Held in trust for scholarships . . . . .	<u>34,165</u>	
Total net position. . . . .	<u>\$ 34,165</u>	

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, 2017

	<b>Private Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 58
Gifts and contributions. . . . .	13,171
Total additions. . . . .	13,229
 <b>Deductions:</b>	
Scholarships awarded . . . . .	18,179
Change in net position . . . . .	(4,950)
<b>Net position at beginning of year. . . . .</b>	<b>39,115</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 34,165</b>

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, 2017*

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

The Westerville City School District (the “District”) was organized in the early 1850’s and is a fiscally independent political subdivision of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five-member board and is responsible for the provision of public education to residents of the District. The District encompasses 52 square miles and provides services to approximately 15,079 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, 2017*

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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, 2017*

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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, 2017*

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

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

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

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

#### **Proprietary Funds**

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

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

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

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

#### **Fiduciary Funds**

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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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.

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 14 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, 2017*

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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, 2017, but which were levied to finance fiscal year 2018 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 14 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 2017 was as follows:

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The final budget amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate issued for fiscal year 2017.

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 2017.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level for all funds.

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

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

**(e) Cash and Cash Equivalents**

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

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

The State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants.”

STAR Ohio maintains a stable net asset value (NAV) per share by using the amortized cost method of portfolio valuation. For the fiscal year ended June 30, 2017, 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 2017, investments were limited to federal agency securities, STAR Ohio, and U.S. Government money market accounts.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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Under existing statutes, all investment earnings accrue to the General Fund except earnings specifically related to the Food Service, Worker's Compensation, Private Purpose Trust and Auxiliary Funds. Interest credited to the General Fund during fiscal year 2017 was \$323,543 which includes \$42,336 assigned from other funds.

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

**(f) Inventories**

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

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

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

**(g) Prepaid Assets**

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

**(h) Capital Assets and Depreciation**

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

**(i) *Compensated Absences***

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

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

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

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

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

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

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

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



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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

**(l) *Interfund Transactions***

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

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

**(m) *Fund Balances***

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

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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

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

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

**(n) Net Position**

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

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

**(o) Pensions**

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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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

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

**(q) *Fair Value***

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

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

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. For the fiscal year 2017, the District reported no extraordinary or special items.

**(3) ACCOUNTABILITY AND COMPLIANCE**

**(a) *Change in Accounting Principles***

For fiscal year 2017, the District has implemented GASB Statement No. 77, “*Tax Abatement Disclosures*”, GASB Statement No. 78, “*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*”, GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*” and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*”.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government’s tax revenues. These disclosures were incorporated in the District’s fiscal year 2017 financial statements (see Note 6); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

**(b) Deficit Fund Balance**

Fund balances at June 30, 2017 included the following individual fund deficit:

<u>Nonmajor fund</u>	<u>Deficit</u>
Refugee Children School Impact Aid	\$ 4,036

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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described 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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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

**(a) Deposits with Financial Institutions**

At June 30, 2017, the carrying amount of all District deposits was \$10,561,447. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$4,808,914 of the District's bank balance of \$11,058,914 was exposed to custodial risk as discussed below, while \$6,250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% 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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**(b) Investments**

As of June 30, 2017, the District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
Fair value:						
FHLB	\$ 6,805,703	\$ -	\$ -	\$ 1,993,340	\$ -	\$ 4,812,363
FFCB	17,395,720	3,496,670	996,850	4,978,270	993,990	6,929,940
FHLMC	11,852,445	1,000,340	4,886,535	1,988,420	1,990,280	1,986,870
FNMA	19,108,143	-	289,243	1,997,670	4,962,280	11,858,950
US Government						
Money Market	49,613,320	49,613,320	-	-	-	-
Amortized cost:						
STAR Ohio	<u>1,762,922</u>	<u>1,762,922</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 106,538,253</u>	<u>\$ 55,873,252</u>	<u>\$6,172,628</u>	<u>\$ 10,957,700</u>	<u>\$ 7,946,550</u>	<u>\$ 25,588,123</u>

The weighted average of maturity of investments is 1.03 years.

The District's investments in U.S. Government money market funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, FHLMC, and FNMA) are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

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

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

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

*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, 2017:

<u>Measurement/ Investment Type</u>	<u>Measurement Value</u>	<u>% to Total</u>
Fair value:		
FHLB	\$ 6,805,703	6.39
FFCB	17,395,720	16.32
FHLMC	11,852,445	11.13
FNMA	19,108,143	17.94
US Government		
Money Market	49,613,320	46.57
Amortized cost:		
STAR Ohio	<u>1,762,922</u>	<u>1.65</u>
Total	<u>\$ 106,538,253</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, 2017:

<u>Cash and Investments per Note</u>	
Carrying Amount of Deposits	\$10,561,447
Investments	<u>106,538,253</u>
Total	<u>\$117,099,700</u>
<u>Cash and Investments per Financial Statements</u>	
Governmental Activities	\$116,685,285
Private-Purpose Trust Fund	34,165
Agency Funds	<u>380,250</u>
Total	<u>\$117,099,700</u>

**(5) PROPERTY TAXES**

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



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

*Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of calendar year 2016 taxes. Public utility real and personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, 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, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 was \$41,735,491 in the general fund, \$2,921,328 in the bond retirement fund and \$3,079,767 in the permanent improvement fund. This amount is recorded as revenue. The amount available for 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. 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, 2017 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, 2017*

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 2,284,046,520	98.33	\$ 2,294,410,060	97.94
Public utility personal	<u>38,809,570</u>	<u>1.67</u>	<u>48,206,100</u>	<u>2.06</u>
Total	<u>\$ 2,322,856,090</u>	<u>100.00</u>	<u>\$ 2,342,616,160</u>	<u>100.00</u>

**(6) TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Westerville provides tax abatements through Community Reinvestment Areas (CRAs).

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

The CRA agreements entered into by the City of Westerville affect the property tax receipts collected and distributed to the District. There were 146 parcels that have taxes abated through CRA agreements that affected the District. Under these agreements, the District property taxes were reduced by \$2,892,443.

**(7) RECEIVABLES**

Receivables and due from other governments at June 30, 2017 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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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A summary of the principal items is as follows:

**Governmental Activities:**

Taxes - Current & Delinquent	\$ 132,297,574
Payment in Lieu of Taxes	2,307,259
Accounts	100,368
Accrued Interest	146,762
Intergovernmental	<u>1,423,903</u>
Total	<u>\$ 136,275,866</u>

**(8) INTERFUND TRANSACTIONS**

(a) Interfund balances at June 30, 2017 as reported on the fund statements, consist of the following amounts receivable/payable from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$193,454

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, 2017 are reported on the statement of net position.

(b) Interfund transfers for the fiscal year ended June 30, 2017, 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>2,962,500</u>
Total		<u>\$ 3,027,500</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 \$2,962,500 from the permanent improvement fund to the debt service fund in order to cover a debt payment.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2017

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.

**(9) CAPITAL ASSETS**

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

	Balance <u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2017</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 5,919,129	\$ 143,667	\$ -	\$ 6,062,796
Construction in progress	<u>4,158,853</u>	<u>-</u>	<u>(4,158,853)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>10,077,982</u>	<u>143,667</u>	<u>(4,158,853)</u>	<u>6,062,796</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	9,177,844	296,977	-	9,474,821
Buildings and improvements	219,054,114	7,620,042	-	226,674,156
Furniture, fixtures and equipment	13,514,829	1,740,730	(194,822)	15,060,737
Vehicles	<u>9,392,399</u>	<u>2,250,909</u>	<u>(1,139,856)</u>	<u>10,503,452</u>
Total capital assets, being depreciated	<u>251,139,186</u>	<u>11,908,658</u>	<u>(1,334,678)</u>	<u>261,713,166</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(5,839,653)	(423,008)	-	(6,262,661)
Buildings and improvements	(88,162,629)	(5,248,026)	-	(93,410,655)
Furniture and equipment	(8,476,991)	(1,151,238)	174,408	(9,453,821)
Vehicles	<u>(6,680,160)</u>	<u>(919,371)</u>	<u>1,139,856</u>	<u>(6,459,675)</u>
Total accumulated depreciation	<u>(109,159,433)</u>	<u>(7,741,643)</u>	<u>1,314,264</u>	<u>(115,586,812)</u>
Governmental activities capital assets, net	<u>\$ 152,057,735</u>	<u>\$ 4,310,682</u>	<u>\$ (4,179,267)</u>	<u>\$ 152,189,150</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 3,798,387
Special	1,129,692
Vocational	17,909
Other	13,583

Support services:

Pupil	3,981
Staff	17,272
General Administration	112,689
Board of Education	3,772
Business Services	27,195
Operations & Maintenance	680,040
Student Transportation	930,126
Central Services	544,593
Food Service Operations	78,142
Community Services	34,616
Extracurricular Activities	<u>349,646</u>

Total depreciation expense \$ 7,741,643

**(10) LONG-TERM OBLIGATIONS**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance at June 30, 2017</u>
Advance Bond Refunding (1)	12/14/06	4.00-5.00%	12/01/27	\$48,365,000	\$22,365,000
Tax Anticipation Notes (2)	03/23/10	2.82%	12/01/20	24,415,000	10,725,000
Advance Bond Refunding (3)	08/15/12	0.45-3.04%	12/01/22	27,320,000	15,537,968
Advance Bond Refunding (4)	12/01/16	2.67%	12/01/23	23,040,000	23,040,000
					\$71,667,968

- (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.
- (4) Refunded portions of bonds previously issued on 12/14/06.

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

In August 2012, the District issued \$27,320,000 of general obligation refunding bonds, Series 2012 with interest rates ranging from .45% to 3.04% (maturing from December 2012 through December 2022) to advance refund a portion of the District's outstanding general obligation bonds. This issue included an additional \$120,000 in capital appreciation bonds, with a stated interest of 65.58% (maturing December 2018). The accreted value at maturity for the capital appreciation bonds is \$4,165,000. Total accreted interest of \$1,672,968 on the capital appreciation bonds has been included on the statement of net position at June 30, 2017. 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 \$13,865,000 at June 30, 2017.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

In September 2016, the District issued \$23,040,000 of general obligation refunding bonds, Series 2016 with an interest rate of 2.665% (maturing from December 2017 through December 2023) to advance refund a portion of the District's outstanding general obligation bonds. The District defeased these general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding represents both legal and in-substance defeasance and was accounted for in accordance with GASB Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*. Accordingly, the trust accounts assets and the liability for the defeased bonds are not included in the District's financial statements. The balance of the refunded bonds was \$23,040,000 at June 30, 2017.

The reacquisition price exceeded the net carrying amount of the old debt by \$448,774. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next eight years by \$1,410,094 and resulted in a net present value economic gain of \$1,238,815.

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>
2018	\$8,700,000	\$2,402,020
2019	4,850,000	6,255,255
2020	8,465,000	2,001,132
2021	8,705,000	1,724,583
2022	5,990,000	1,495,488
2023 - 2027	27,265,000	4,668,528
2028	6,020,000	150,500
Total	<u>\$69,995,000</u>	<u>\$18,697,506</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 \$210,835,454. The total District debt (including the Notes) subject to this limitation is \$69,995,000. The total District unvoted debt that could be issued subject to the 1/10 of 1% limitation is \$2,342,616. The District has no debt subject to such limitation, leaving \$2,342,616, available for unvoted debt. Including the balance in the

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**Notes to Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

Debt Service Fund at June 30, 2017, the effects of these debt limitations at June 30, 2017 are a voted debt margin of \$149,338,306 and an unvoted debt margin of \$2,342,616.

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, 2017, the District and the Library have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. In the opinion of management, the District has complied with all bond covenants.

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

See Note 14 for details on the net pension liability.

See Note 11 for details on the capital lease obligation.

The following changes occurred in long-term liabilities during the year:

<i>Governmental Activities</i>	Balance at			Balance at	Amounts Due
	<u>June 30, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2017</u>	<u>In One Year</u>
Net Pension Liability	\$218,022,969	\$60,260,481	\$ -	278,283,450	\$ -
General Obligation Bonds	66,222,219	23,810,749	(29,090,000)	60,942,968	6,200,000
Tax Anticipation Notes	13,150,000	-	(2,425,000)	10,725,000	2,500,000
Capital Lease Obligations	645,405	-	(149,483)	495,922	157,131
Compensated Absences	13,115,321	1,859,249	(832,890)	14,141,680	1,085,032
Total Governmental Activities	<u>\$311,155,914</u>	<u>\$85,930,479</u>	<u>\$(32,497,373)</u>	<u>364,589,020</u>	<u>\$9,942,163</u>
Add: Unamortized Premiums				<u>3,038,644</u>	
Total on Statement of Net Position				<u>\$367,627,664</u>	

**(11) CAPITAL LEASE OBLIGATION**

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

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements. Capital assets acquired by lease have been capitalized in the amount of \$750,440, which is equal to the present value of the future minimum lease payments as of the date of their inception. Accumulated depreciation as of June 30, 2017 was \$287,674, leaving a current book value of \$462,766. A corresponding liability was recorded in the statement of net position. Principal payments in the 2017 fiscal year totaled \$149,483. 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.



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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, 2017:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	\$ 179,103
2019	179,103
2020	<u>179,103</u>
Total minimum lease payment	537,309
Less: amount representing interest	<u>(41,387)</u>
Present value of minimum lease payments	<u>\$ 495,922</u>

**(12) SET-ASIDE CALCULATIONS**

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

	<u>Capital</u> <u>Improvements</u>
Set-Aside Balance, July 1, 2016	\$ -
Current Year Set-Aside Requirement	2,480,896
Contributions in Excess of the Current Fiscal Year Set-Aside Requirement	-
Current Year Qualifying Expenditures	(681,769)
Excess Qualified Expenditures from Prior Years	-
Current Year Offsets	(9,129,022)
Waiver granted by ODE	-
Prior Year Offset from Bond Proceeds	-
Total	<u>\$ (7,329,895)</u>
Balance Carried Forward to Fiscal Year 2018	<u>\$ -</u>
Set-Aside Balance June 30, 2017	<u>\$ -</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**(13) BUDGET BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (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	\$ 11,171,243
Net adjustment for revenue accruals	(395,607)
Net adjustment for expenditure accruals	(341,550)
Net adjustment for other financing sources (uses)	(49,433)
Funds budgeted elsewhere	(10,346)
Adjustment for encumbrances	2,932,759
GAAP basis	<u>\$ 13,307,066</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.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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**(14) DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

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

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

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

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

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

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Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, 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 \$2,573,594 for fiscal year 2017. Of this amount, \$12,902 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).

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$11,151,615 for fiscal year 2017. Of this amount, \$1,828,127 is reported as pension and postemployment obligation payable.

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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***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, 2016, 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>
Proportion of the net pension liability prior measurement date	0.54732270%	0.67587545%	
Proportion of the net pension liability current measurement date	<u>0.55818750%</u>	<u>0.70931549%</u>	
Change in proportionate share	<u>0.01086480%</u>	<u>0.03344004%</u>	
Proportionate share of the net pension liability	\$ 40,854,175	\$ 237,429,275	\$ 278,283,450
Pension expense	\$ 4,546,243	\$ 20,731,825	\$ 25,278,068

At June 30, 2017, 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	\$ 551,026	\$ 9,593,284	\$ 10,144,310
Net difference between projected and actual earnings on pension plan investments	3,369,874	19,713,007	23,082,881
Changes of assumptions	2,727,239	-	2,727,239
Difference between District contributions and proportionate share of contributions/ change in proportionate share	657,765	10,602,821	11,260,586
District contributions subsequent to the measurement date	<u>2,573,594</u>	<u>11,151,615</u>	<u>13,725,209</u>
Total deferred outflows of resources	<u>\$ 9,879,498</u>	<u>\$ 51,060,727</u>	<u>\$ 60,940,225</u>

\$13,725,209 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2018	\$ 1,925,470	\$ 7,513,246	\$ 9,438,716
2019	1,923,039	7,513,246	9,436,285
2020	2,488,695	15,077,678	17,566,373
2021	968,700	9,804,939	10,773,639
Total	\$ 7,305,904	\$ 39,909,109	\$ 47,215,013

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

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The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

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



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 54,088,381	\$ 40,854,175	\$ 29,776,593

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2016, 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, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

Asset Class	Target Allocation	Long Term Expected Real Rate of Return *
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	1.00	3.00
<b>Total</b>	<b>100.00 %</b>	<b>7.61 %</b>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
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\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. 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, 2016.

**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	\$ 315,524,214	\$ 237,429,275	\$ 171,551,591

**Changes Between Measurement Date and Report Date** - In March 2017, the STRS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of July 1, 2016. The most significant change is a reduction in the expected investment return to 7.45% from 7.75%. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the District's net pension liability is expected to be significant.

**(15) 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.

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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 2017, 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 2017, this amount was \$23,500. 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 2017, the District's surcharge obligation was \$316,872.

The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$316,872, \$285,698, and \$409,231, respectively. The fiscal year 2017 amount has been reported as pension and postemployment obligation payable. The full amount has been contributed for fiscal years 2016 and 2015.

**(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.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The District did not make any contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015.

**(16) CONTINGENCIES**

**(a) Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims

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resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**(b) *Litigation***

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

**(c) *Foundation Funding***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**(17) JOINTLY GOVERNED ORGANIZATIONS**

Meta Solutions

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

**(18) RELATED ORGANIZATION**

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

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**(19) RISK MANAGEMENT**

For fiscal year 2017, 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 \$29,485 is recorded based on an actuarial determination of future claims. The claims liability is expected to be paid within one year.

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

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding is required by the District.

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 2017, a total expense of \$1,482,377 was incurred in administrative costs. An excess coverage insurance policy covers individual claims in excess of \$150,000. The liability for unpaid claims of \$1,293,000 reported at June 30, 2017 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
*Notes to Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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 2017 was:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2017	\$ 1,093,000	\$ 19,173,991	\$ (18,973,991)	\$ 1,293,000
2016	1,019,000	16,235,992	(16,161,992)	1,093,000

**(20) CONTRACTUAL COMMITMENTS**

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

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
Triad Facilities Solutions	Renovations	\$ 435,500
Triad Architects LTD	Design Services	265,719
Garland/DBS	Renovations	211,242
Limbach Company	Renovations	118,333
Regal Plumbing	Renovations	104,271
Ultimax, Inc.	Renovations	74,045
Staples	Furniture	65,000
Garber Electrical Contractor	Renovations	<u>64,850</u>
Total		<u>\$ 1,338,960</u>

**(21) OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General fund	\$ 1,479,150
Permanent Improvement Fund	1,409,106
Nonmajor Governmental Funds	<u>330,906</u>
Total	<u>\$ 3,219,162</u>

REQUIRED SUPPLEMENTARY INFORMATION

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

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

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.



**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 FOUR FISCAL YEARS

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

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,573,594	\$ 2,426,932	\$ 2,171,638	\$ 2,173,951	\$ 2,151,668
Contributions in relation to the contractually required contribution	<u>(2,573,594)</u>	<u>(2,426,932)</u>	<u>(2,171,638)</u>	<u>(2,173,951)</u>	<u>(2,151,668)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 18,382,814	\$ 17,335,229	\$ 16,476,768	\$ 15,685,072	\$ 15,546,734
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 2,323,325	\$ 2,255,906	\$ 2,348,656	\$ 1,598,077	\$ 1,533,219
<u>(2,323,325)</u>	<u>(2,255,906)</u>	<u>(2,348,656)</u>	<u>(1,598,077)</u>	<u>(1,533,219)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,273,792	\$ 17,946,746	\$ 17,346,056	\$ 16,240,620	\$ 15,613,228
13.45%	12.57%	13.54%	9.84%	9.82%

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 11,151,615	\$ 10,879,959	\$ 10,006,625	\$ 8,777,047	\$ 9,001,330
Contributions in relation to the contractually required contribution	<u>(11,151,615)</u>	<u>(10,879,959)</u>	<u>(10,006,625)</u>	<u>(8,777,047)</u>	<u>(9,001,330)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 79,654,393	\$ 77,713,993	\$ 71,475,893	\$ 67,515,746	\$ 69,241,000
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 9,878,070	\$ 10,061,429	\$ 9,476,887	\$ 9,318,639	\$ 8,857,181
<u>(9,878,070)</u>	<u>(10,061,429)</u>	<u>(9,476,887)</u>	<u>(9,318,639)</u>	<u>(8,857,181)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 75,985,154	\$ 77,395,608	\$ 72,899,131	\$ 71,681,838	\$ 68,132,162
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, 2017**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. 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, 2017**

	<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 . . . . .	\$ 11,542,500	\$ 11,661,500	\$ 11,661,105	\$ (395)
Total expenditures and other uses . . . . .	11,506,915	11,584,442	11,573,855	10,587
Net change in fund balance . . . . .	35,585	77,058	87,250	10,192
Fund balance at beginning of year . . . . .	5,489,274	5,489,274	5,489,274	-
Fund balance at end of year . . . . .	<u>\$ 5,524,859</u>	<u>\$ 5,566,332</u>	<u>\$ 5,576,524</u>	<u>\$ 10,192</u>
<b>Permanent Improvement</b>				
Total revenue and other sources . . . . .	\$ 8,973,500	\$ 9,195,969	\$ 9,195,823	\$ (146)
Total expenditures and other uses . . . . .	10,444,291	9,046,266	8,930,046	116,220
Net change in fund balance . . . . .	(1,470,791)	149,703	265,777	116,074
Fund balance at beginning of year . . . . .	1,624,248	1,624,248	1,624,248	-
Prior year encumbrances appropriated . . . . .	1,446,266	1,446,266	1,446,266	-
Fund balance at end of year . . . . .	<u>\$ 1,599,723</u>	<u>\$ 3,220,217</u>	<u>\$ 3,336,291</u>	<u>\$ 116,074</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 - Improving Teacher Quality**

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

**Miscellaneous Federal Grants**

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

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

**Uniform School Supplies**

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

**Public School Support**

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

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**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<u>Special Revenue</u>			
	<u>Food Service</u>	<u>Other Local</u>	<u>District Managed</u>	<u>Auxiliary Services</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 2,881,196	\$ 31,776	\$ 656,615	\$ 331,442
Receivables:				
Accounts . . . . .	17,948	-	-	-
Intergovernmental. . . . .	-	-	-	-
Materials and supplies inventory. . . . .	8,687	-	-	-
Inventory held for resale. . . . .	16,117	-	-	-
Total assets . . . . .	<u>\$ 2,923,948</u>	<u>\$ 31,776</u>	<u>\$ 656,615</u>	<u>\$ 331,442</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 58,007	\$ 3,268	\$ 14,068	\$ 144,657
Accrued wages and benefits payable . . . . .	129,460	-	-	46,559
Compensated absences payable. . . . .	39,854	-	-	-
Intergovernmental payable . . . . .	1,667	-	-	575
Pension and postemployment obligation payable . . . . .	56,875	-	731	8,226
Interfund loans payable. . . . .	-	-	-	-
Total liabilities. . . . .	<u>285,863</u>	<u>3,268</u>	<u>14,799</u>	<u>200,017</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	24,804	-	-	-
Restricted:				
Food service operations . . . . .	2,613,281	-	-	-
Non-public schools . . . . .	-	-	-	131,425
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes. . . . .	-	28,508	-	-
Extracurricular. . . . .	-	-	641,816	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances (deficit) . . . . .	<u>2,638,085</u>	<u>28,508</u>	<u>641,816</u>	<u>131,425</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,923,948</u>	<u>\$ 31,776</u>	<u>\$ 656,615</u>	<u>\$ 331,442</u>

**Special Revenue**

<b>Alternative Schools</b>	<b>Straight A</b>	<b>Other State</b>	<b>IDEA, Part B</b>	<b>Title III</b>	<b>Transition Program for Refugee Children</b>	<b>Title I</b>	<b>Preschool Handicapped</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,897	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
7,794	107,708	7,048	303,008	36,130	2,173	336,467	5,590
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 7,794</u>	<u>\$ 107,708</u>	<u>\$ 7,048</u>	<u>\$ 303,008</u>	<u>\$ 38,027</u>	<u>\$ 2,173</u>	<u>\$ 336,467</u>	<u>\$ 5,590</u>
\$ -	\$ 15,308	\$ -	\$ 44,160	\$ 123	\$ -	\$ 16,319	\$ -
5,000	-	5,126	172,139	20,080	3,983	192,092	3,636
-	-	-	-	-	-	-	-
59	-	67	2,066	265	54	2,417	41
914	-	548	34,000	-	-	35,280	548
417	92,400	1,279	16,591	-	2,172	75,358	424
<u>6,390</u>	<u>107,708</u>	<u>7,020</u>	<u>268,956</u>	<u>20,468</u>	<u>6,209</u>	<u>321,466</u>	<u>4,649</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	34,052	-	-	-	941
-	-	-	-	-	-	15,001	-
1,404	-	28	-	17,559	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	(4,036)	-	-
<u>1,404</u>	<u>-</u>	<u>28</u>	<u>34,052</u>	<u>17,559</u>	<u>(4,036)</u>	<u>15,001</u>	<u>941</u>
<u>\$ 7,794</u>	<u>\$ 107,708</u>	<u>\$ 7,048</u>	<u>\$ 303,008</u>	<u>\$ 38,027</u>	<u>\$ 2,173</u>	<u>\$ 336,467</u>	<u>\$ 5,590</u>

-- continued

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2017

	<u>Special Revenue</u>	
	<b>Title 11-A</b>	<b>Total</b>
	<b>Improving</b>	<b>Other</b>
	<b>Teacher</b>	<b>Governmental</b>
	<b>Quality</b>	<b>Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 3,902,926
Receivables:		
Accounts . . . . .	-	17,948
Intergovernmental. . . . .	31,840	837,758
Materials and supplies inventory. . . . .	-	8,687
Inventory held for resale. . . . .	-	16,117
Total assets . . . . .	<u>\$ 31,840</u>	<u>\$ 4,783,436</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 3,609	\$ 299,519
Accrued wages and benefits payable. . . . .	16,823	594,898
Compensated absences payable. . . . .	-	39,854
Intergovernmental payable . . . . .	217	7,428
Pension and postemployment obligation payable . . . . .	2,925	140,047
Interfund loans payable. . . . .	4,813	193,454
Total liabilities. . . . .	<u>28,387</u>	<u>1,275,200</u>
<b>Fund balances:</b>		
Nonspendable:		
Materials and supplies inventory. . . . .	-	24,804
Restricted:		
Food service operations . . . . .	-	2,613,281
Non-public schools . . . . .	-	131,425
Special education . . . . .	-	34,993
Targeted academic assistance . . . . .	3,453	18,454
Other purposes. . . . .	-	47,499
Extracurricular. . . . .	-	641,816
Unassigned (deficit) . . . . .	-	(4,036)
Total fund balances (deficit) . . . . .	<u>3,453</u>	<u>3,508,236</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 31,840</u>	<u>\$ 4,783,436</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, 2017

**Special Revenue**

	<b>Food Service</b>	<b>Other Local</b>	<b>District Managed</b>	<b>Auxiliary Services</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 19,726	\$ -	\$ -	\$ 3,268
Charges for services . . . . .	2,329,261	-	-	-
Extracurricular . . . . .	-	-	764,613	-
Contributions and donations . . . . .	-	70,779	70,639	-
Other local revenues . . . . .	24,906	-	1,000	-
Intergovernmental - state . . . . .	53,978	-	-	1,143,059
Intergovernmental - federal . . . . .	3,634,990	-	-	-
<b>Total revenues . . . . .</b>	<b>6,062,861</b>	<b>70,779</b>	<b>836,252</b>	<b>1,146,327</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	53,383	-	-
Special . . . . .	-	6,864	-	-
Vocational . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	4,623	-	-
Administration . . . . .	-	181	-	-
Fiscal . . . . .	-	-	-	26,825
Pupil transportation . . . . .	-	1,242	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	200	-	1,228,964
Food service operations . . . . .	5,413,295	-	-	-
Extracurricular activities . . . . .	-	-	876,131	-
<b>Total expenditures . . . . .</b>	<b>5,413,295</b>	<b>66,493</b>	<b>876,131</b>	<b>1,255,789</b>
Excess of revenues over (under) expenditures . . . . .	649,566	4,286	(39,879)	(109,462)
<b>Other financing sources:</b>				
Sale of assets . . . . .	2,222	-	-	-
<b>Total other financing sources . . . . .</b>	<b>2,222</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances . . . . .</b>	<b>651,788</b>	<b>4,286</b>	<b>(39,879)</b>	<b>(109,462)</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>1,986,297</b>	<b>24,222</b>	<b>681,695</b>	<b>240,887</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 2,638,085</b>	<b>\$ 28,508</b>	<b>\$ 641,816</b>	<b>\$ 131,425</b>

**Special Revenue**

<u>Data Commu- nications</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Other State</u>	<u>IDEA, Part B</u>	<u>Vocational Education: Carl D. Perkins</u>	<u>Title III</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,800	51,719	107,708	144,516	-	-	-
-	-	-	-	2,684,244	-	263,871
<u>37,800</u>	<u>51,719</u>	<u>107,708</u>	<u>144,516</u>	<u>2,684,244</u>	<u>-</u>	<u>263,871</u>
-	50,943	105,308	-	-	-	-
-	-	-	-	1,735,852	-	248,742
-	-	-	-	-	11,326	-
-	-	-	-	59,292	-	-
-	-	-	26,921	460,688	-	-
-	-	2,400	92,226	69,552	15,460	3,757
-	-	-	-	268,838	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
37,800	-	-	-	-	-	-
-	-	-	24,730	60,891	-	1,430
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>37,800</u>	<u>50,943</u>	<u>107,708</u>	<u>143,877</u>	<u>2,655,113</u>	<u>26,786</u>	<u>253,929</u>
-	776	-	639	29,131	(26,786)	9,942
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	776	-	639	29,131	(26,786)	9,942
-	628	-	(611)	4,921	26,786	7,617
<u>\$ -</u>	<u>\$ 1,404</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 34,052</u>	<u>\$ -</u>	<u>\$ 17,559</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, 2017

**Special Revenue**

	<b>Transition Program for Refugee Children</b>	<b>Title 1</b>	<b>Preschool Handicapped</b>	<b>Title 11-A Improving Teacher Quality</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	24,908	2,270,211	33,775	238,799
<b>Total revenues . . . . .</b>	<b>24,908</b>	<b>2,270,211</b>	<b>33,775</b>	<b>238,799</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	-
Special . . . . .	25,619	1,605,384	33,232	-
Vocational . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	44,000	-	-
Instructional staff . . . . .	-	555,955	-	234,739
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Operation of non-instructional . . . . .	-	50,487	-	4,007
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>25,619</b>	<b>2,255,826</b>	<b>33,232</b>	<b>238,746</b>
Excess of revenues over (under) expenditures . . . . .	(711)	14,385	543	53
<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>(711)</b>	<b>14,385</b>	<b>543</b>	<b>53</b>
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>(3,325)</b>	<b>616</b>	<b>398</b>	<b>3,400</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$(4,036)</b>	<b>\$ 15,001</b>	<b>\$ 941</b>	<b>\$ 3,453</b>

<u>Special Revenue</u>	
<u>Miscellaneous Federal Grants</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 22,994
-	2,329,261
-	764,613
-	141,418
-	25,906
-	1,538,780
8,314	9,159,112
<u>8,314</u>	<u>13,982,084</u>
621	210,255
-	3,655,693
-	11,326
-	59,292
-	531,609
998	979,710
-	269,019
-	26,825
-	1,242
-	37,800
6,695	1,377,404
-	5,413,295
-	876,131
<u>8,314</u>	<u>13,449,601</u>
-	532,483
-	2,222
<u>-</u>	<u>2,222</u>
-	534,705
	2,973,531
<u>\$ -</u>	<u>\$ 3,508,236</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
<b>Special Revenue</b>				
<b>Food Service</b>				
Total revenue and other sources . . . . .	\$ 5,491,000	\$ 5,714,600	\$ 5,713,503	\$ (1,097)
Total expenditures and other uses . . . . .	<u>5,812,519</u>	<u>5,394,119</u>	<u>5,195,166</u>	<u>198,953</u>
Net change in fund balance . . . . .	(321,519)	320,481	518,337	197,856
Fund balance at beginning of year . . . . .	1,967,949	1,967,949	1,967,949	-
Prior year encumbrances appropriated . . . . .	294,119	294,119	294,119	-
Fund balance at end of year . . . . .	<u>\$ 1,940,549</u>	<u>\$ 2,582,549</u>	<u>\$ 2,780,405</u>	<u>\$ 197,856</u>
<b>Uniform School Supplies</b>				
Total revenue and other sources . . . . .	\$ 165,000	\$ 145,200	\$ 145,260	\$ 60
Total expenditures and other uses . . . . .	<u>157,985</u>	<u>150,003</u>	<u>149,920</u>	<u>83</u>
Net change in fund balance . . . . .	7,015	(4,803)	(4,660)	143
Fund balance at beginning of year . . . . .	1,000	1,000	1,000	-
Prior year encumbrances appropriated . . . . .	4,003	4,003	4,003	-
Fund balance at end of year . . . . .	<u>\$ 12,018</u>	<u>\$ 200</u>	<u>\$ 343</u>	<u>\$ 143</u>
<b>Public School Support</b>				
Total revenue and other sources . . . . .	\$ 207,800	\$ 213,701	\$ 214,546	\$ 845
Total expenditures and other uses . . . . .	<u>273,990</u>	<u>257,688</u>	<u>229,933</u>	<u>27,755</u>
Net change in fund balance . . . . .	(66,190)	(43,987)	(15,387)	28,600
Fund balance at beginning of year . . . . .	320,590	320,590	320,590	-
Prior year encumbrances appropriated . . . . .	8,130	8,130	8,130	-
Fund balance at end of year . . . . .	<u>\$ 262,530</u>	<u>\$ 284,733</u>	<u>\$ 313,333</u>	<u>\$ 28,600</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ 70,728	\$ 70,779	\$ 51
Total expenditures and other uses . . . . .	<u>20,276</u>	<u>88,857</u>	<u>69,478</u>	<u>19,379</u>
Net change in fund balance . . . . .	54,724	(18,129)	1,301	19,430
Fund balance at beginning of year . . . . .	21,864	21,864	21,864	-
Prior year encumbrances appropriated . . . . .	3,765	3,765	3,765	-
Fund balance at end of year . . . . .	<u>\$ 80,353</u>	<u>\$ 7,500</u>	<u>\$ 26,930</u>	<u>\$ 19,430</u>
<b>District Managed</b>				
Total revenue and other sources . . . . .	\$ 793,834	\$ 835,658	\$ 836,253	\$ 595
Total expenditures and other uses . . . . .	<u>986,851</u>	<u>982,782</u>	<u>913,083</u>	<u>69,699</u>
Net change in fund balance . . . . .	(193,017)	(147,124)	(76,830)	70,294
Fund balance at beginning of year . . . . .	709,520	709,520	709,520	-
Prior year encumbrances appropriated . . . . .	7,782	7,782	7,782	-
Fund balance at end of year . . . . .	<u>\$ 524,285</u>	<u>\$ 570,178</u>	<u>\$ 640,472</u>	<u>\$ 70,294</u>
<b>Auxiliary Services</b>				
Total revenue and other sources . . . . .	\$ 1,250,000	\$ 1,146,340	\$ 1,146,326	\$ (14)
Total expenditures and other uses . . . . .	<u>1,374,240</u>	<u>1,510,271</u>	<u>1,438,836</u>	<u>71,435</u>
Net change in fund balance . . . . .	(124,240)	(363,931)	(292,510)	71,421
Fund balance at beginning of year . . . . .	239,705	239,705	239,705	-
Prior year encumbrances appropriated . . . . .	124,240	124,240	124,240	-
Fund balance at end of year . . . . .	<u>\$ 239,705</u>	<u>\$ 14</u>	<u>\$ 71,435</u>	<u>\$ 71,421</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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	\$ -
Total expenditures and other uses . . . . .	<u>-</u>	<u>37,800</u>	<u>37,800</u>	<u>-</u>
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. . . . .	\$ 62,984	\$ 62,984	\$ 55,190	\$ (7,794)
Total expenditures and other uses . . . . .	<u>51,719</u>	<u>62,981</u>	<u>55,605</u>	<u>7,376</u>
Net change in fund balance . . . . .	11,265	3	(415)	(418)
Fund balance at beginning of year. . . . .	(2)	(2)	(2)	-
Prior year encumbrances appropriated. . . . .	-	-	-	-
Fund balances (deficit) at end of year. . . . .	<u>\$ 11,263</u>	<u>\$ 1</u>	<u>\$ (417)</u>	<u>\$ (418)</u>
<b>Straight A</b>				
Total revenue and other sources. . . . .	\$ -	\$ 127,000	\$ -	\$ (127,000)
Total expenditures and other uses . . . . .	<u>-</u>	<u>126,743</u>	<u>107,792</u>	<u>18,951</u>
Net change in fund balance . . . . .	-	257	(107,792)	(108,049)
Fund balance at beginning of year. . . . .	-	-	-	-
Prior year encumbrances appropriated. . . . .	-	-	-	-
Fund balance (deficit) at end of year. . . . .	<u>\$ -</u>	<u>\$ 257</u>	<u>\$ (107,792)</u>	<u>\$ (108,049)</u>



**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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 . . . . .	\$ 60,601	\$ 157,390	\$ 143,068	\$ (14,322)
Total expenditures and other uses . . . . .	<u>56,158</u>	<u>157,385</u>	<u>144,342</u>	<u>13,043</u>
Net change in fund balance . . . . .	4,443	5	(1,274)	(1,279)
Fund balance at beginning of year . . . . .	(1,163)	(1,163)	(1,163)	-
Prior year encumbrances appropriated . . . . .	1,158	1,158	1,158	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 4,438</u>	<u>\$ -</u>	<u>\$ (1,279)</u>	<u>\$ (1,279)</u>
<b>IDEA, Part B</b>				
Total revenue and other sources . . . . .	\$ 3,202,451	\$ 3,202,451	\$ 2,576,626	\$ (625,825)
Total expenditures and other uses . . . . .	<u>2,617,279</u>	<u>3,211,666</u>	<u>2,737,916</u>	<u>473,750</u>
Net change in fund balance . . . . .	585,172	(9,215)	(161,290)	(152,075)
Fund balance at beginning of year . . . . .	(24,301)	(24,301)	(24,301)	-
Prior year encumbrances appropriated . . . . .	33,516	33,516	33,516	-
Fund balance (deficit) at end of year . . . . .	<u>\$ 594,387</u>	<u>\$ -</u>	<u>\$ (152,075)</u>	<u>\$ (152,075)</u>
<b>Vocational Education: Carl D. Perkins</b>				
Total expenditures and other uses . . . . .	\$ 36,075	\$ 36,303	\$ 36,303	\$ -
Net change in fund balance . . . . .	(36,075)	(36,303)	(36,303)	-
Fund balance at beginning of year . . . . .	228	228	228	-
Prior year encumbrances appropriated . . . . .	36,075	36,075	36,075	-
Fund balance at end of year . . . . .	<u>\$ 228</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)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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. . . . .	\$ 239,723	\$ 293,003	\$ 256,873	\$ (36,130)
Total expenditures and other uses . . . . .	<u>216,580</u>	<u>293,310</u>	<u>256,411</u>	<u>36,899</u>
Net change in fund balance . . . . .	23,143	(307)	462	769
Fund balance at beginning of year. . . . .	(8,459)	(8,459)	(8,459)	-
Prior year encumbrances appropriated. . . . .	8,766	8,766	8,766	-
Fund balance at end of year . . . . .	<u>\$ 23,450</u>	<u>\$ -</u>	<u>\$ 769</u>	<u>\$ 769</u>
<b>Transition Program for Refugee Children</b>				
Total revenue and other sources. . . . .	\$ 35,080	\$ 32,798	\$ 24,821	\$ (7,977)
Total expenditures and other uses . . . . .	<u>26,210</u>	<u>28,036</u>	<u>22,232</u>	<u>5,804</u>
Net change in fund balance . . . . .	8,870	4,762	2,589	(2,173)
Fund balance (deficit) at beginning of year. . . . .	(5,971)	(5,971)	(5,971)	-
Prior year encumbrances appropriated. . . . .	1,210	1,210	1,210	-
Fund balance (deficit) at end of year. . . . .	<u>\$ 4,109</u>	<u>\$ 1</u>	<u>\$ (2,172)</u>	<u>\$ (2,173)</u>
<b>Title I</b>				
Total revenue and other sources. . . . .	\$ 2,677,222	\$ 2,663,957	\$ 2,152,811	\$ (511,146)
Total expenditures and other uses . . . . .	<u>2,113,328</u>	<u>2,655,299</u>	<u>2,254,545</u>	<u>400,754</u>
Net change in fund balance . . . . .	563,894	8,658	(101,734)	(110,392)
Fund balance (deficit) at beginning of year. . . . .	(27,438)	(27,438)	(27,438)	-
Prior year encumbrances appropriated. . . . .	18,781	18,781	18,781	-
Fund balance (deficit) at end of year. . . . .	<u>\$ 555,237</u>	<u>\$ 1</u>	<u>\$ (110,391)</u>	<u>\$ (110,392)</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**OTHER GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<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. . . . .	\$ 37,898	\$ 37,614	\$ 32,024	\$ (5,590)
Total expenditures and other uses . . . . .	<u>33,775</u>	<u>37,610</u>	<u>32,444</u>	<u>5,166</u>
Net change in fund balance . . . . .	4,123	4	(420)	(424)
Fund balance (deficit) at beginning of year. . . . .	(3)	(3)	(3)	-
Prior year encumbrances appropriated. . . . .	-	-	-	-
Fund balance (deficit) at end of year. . . . .	<u>\$ 4,120</u>	<u>\$ 1</u>	<u>\$ (423)</u>	<u>\$ (424)</u>
<b>Title II-A</b>				
Total revenue and other sources. . . . .	\$ 33,324	\$ 331,750	\$ 235,816	\$ (95,934)
Total expenditures and other uses . . . . .	<u>262,199</u>	<u>326,839</u>	<u>256,382</u>	<u>70,457</u>
Net change in fund balance . . . . .	(228,875)	4,911	(20,566)	(25,477)
Fund balance (deficit) at beginning of year. . . . .	(26,901)	(26,901)	(26,901)	-
Prior year encumbrances appropriated. . . . .	21,991	21,991	21,991	-
Fund balance (deficit) at end of year. . . . .	<u>\$ (233,785)</u>	<u>\$ 1</u>	<u>\$ (25,476)</u>	<u>\$ (25,477)</u>
<b>Miscellaneous Federal Grants</b>				
Total revenue and other sources. . . . .	\$ 19,910	\$ 13,314	\$ 8,314	\$ (5,000)
Total expenditures and other uses . . . . .	<u>19,910</u>	<u>13,314</u>	<u>8,314</u>	<u>5,000</u>
Net change in fund balance . . . . .	-	-	-	-
Fund balance (deficit) at beginning of year. . . . .	(6,367)	(6,367)	(6,367)	-
Prior year encumbrances appropriated. . . . .	6,367	6,367	6,367	-
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**Self Insurance**

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

**Worker's Compensation**

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

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

JUNE 30, 2017

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 7,208,504	\$ 513,889	\$ 7,722,393
Total assets . . . . .	7,208,504	513,889	7,722,393
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 752	\$ -	\$ 752
Unearned revenue. . . . .	1,473,198	-	1,473,198
Claims payable . . . . .	1,293,000	29,485	1,322,485
Total liabilities . . . . .	2,766,950	29,485	2,796,435
<b>Net Position:</b>			
Unrestricted . . . . .	4,441,554	484,404	4,925,958
Total net position . . . . .	\$ 4,441,554	\$ 484,404	\$ 4,925,958

**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, 2017

	<u>Self Insurance</u>	<u>Worker's Compensation</u>	<u>Total</u>
<b>Operating revenues:</b>			
Charges for services. . . . .	\$ 19,031,812	\$ 548,291	\$ 19,580,103
Total operating revenues . . . . .	<u>19,031,812</u>	<u>548,291</u>	<u>19,580,103</u>
<b>Operating expenses:</b>			
Purchased services. . . . .	1,482,377	353,212	1,835,589
Claims. . . . .	<u>19,173,991</u>	-	<u>19,173,991</u>
Total operating expenses. . . . .	<u>20,656,368</u>	<u>353,212</u>	<u>21,009,580</u>
Operating income (loss). . . . .	<u>(1,624,556)</u>	<u>195,079</u>	<u>(1,429,477)</u>
<b>Nonoperating revenues:</b>			
Interest revenue. . . . .	-	4,187	4,187
Total nonoperating revenues. . . . .	<u>-</u>	<u>4,187</u>	<u>4,187</u>
Change in net position. . . . .	(1,624,556)	199,266	(1,425,290)
<b>Net position at beginning of year. . . . .</b>	<u>6,066,110</u>	<u>285,138</u>	<u>6,351,248</u>
<b>Net position at end of year. . . . .</b>	<u>\$ 4,441,554</u>	<u>\$ 484,404</u>	<u>\$ 4,925,958</u>

**WESTERVILLE CITY SCHOOL DISTRICT, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from charges for services. . . . .	\$ 19,212,709	\$ 548,291	\$ 19,761,000
Cash payments for contractual services . . . . .	(1,482,332)	(351,900)	(1,834,232)
Cash payments for claims. . . . .	(18,973,991)	-	(18,973,991)
	<u>(1,243,614)</u>	<u>196,391</u>	<u>(1,047,223)</u>
<b>Net cash provided by (used in) operating activities. . .</b>			
<b>Cash flows from investing activities:</b>			
Interest received . . . . .	-	4,187	4,187
	<u>-</u>	<u>4,187</u>	<u>4,187</u>
<b>Net cash provided by investing activities. . . . .</b>			
Net increase (decrease) in cash and cash equivalents. . .	(1,243,614)	200,578	(1,043,036)
<b>Cash and cash equivalents at beginning of year . . . .</b>	8,452,118	313,311	8,765,429
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 7,208,504</u>	<u>\$ 513,889</u>	<u>\$ 7,722,393</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ (1,624,556)	\$ 195,079	\$ (1,429,477)
Changes in assets and liabilities:			
Increase in accounts payable. . . . .	45	-	45
Increase in unearned revenue. . . . .	180,897	-	180,897
Increase in claims payable. . . . .	200,000	1,312	201,312
	<u>200,000</u>	<u>1,312</u>	<u>201,312</u>
<b>Net cash provided by (used in) operating activities . .</b>	<u>\$ (1,243,614)</u>	<u>\$ 196,391</u>	<u>\$ (1,047,223)</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, 2017

	<b>Beginning Balance June 30, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2017</b>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 159,880	\$ 17,353	\$ 90,721	\$ 86,512
Total assets . . . . .	<u>\$ 159,880</u>	<u>\$ 17,353</u>	<u>\$ 90,721</u>	<u>\$ 86,512</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 380	\$ 41	\$ 380	\$ 41
Due to primary government. . . . .	159,500	17,312	90,341	86,471
Total liabilities . . . . .	<u>\$ 159,880</u>	<u>\$ 17,353</u>	<u>\$ 90,721</u>	<u>\$ 86,512</u>
<b>Student Managed Activity</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 254,344	\$ 262,563	\$ 237,796	\$ 279,111
Total assets . . . . .	<u>\$ 254,344</u>	<u>\$ 262,563</u>	<u>\$ 237,796</u>	<u>\$ 279,111</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 1,748	\$ 7,853	\$ 1,748	\$ 7,853
Due to students . . . . .	252,596	271,258	252,596	271,258
Total liabilities . . . . .	<u>\$ 254,344</u>	<u>\$ 279,111</u>	<u>\$ 254,344</u>	<u>\$ 279,111</u>
<b>Section 125 Cafeteria Plan</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 14,627	\$ -	\$ -	\$ 14,627
Total assets . . . . .	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,627</u>
<b>Liabilities:</b>				
Due to primary government. . . . .	\$ 14,627	\$ -	\$ -	\$ 14,627
Total liabilities . . . . .	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,627</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in cash and cash equivalents. . . . .	\$ 428,851	\$ 279,916	\$ 328,517	\$ 380,250
Total assets . . . . .	<u>\$ 428,851</u>	<u>\$ 279,916</u>	<u>\$ 328,517</u>	<u>\$ 380,250</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,128	\$ 7,894	\$ 2,128	\$ 7,894
Due to students . . . . .	252,596	271,258	252,596	271,258
Due to primary government. . . . .	174,127	17,312	90,341	101,098
Total liabilities . . . . .	<u>\$ 428,851</u>	<u>\$ 296,464</u>	<u>\$ 345,065</u>	<u>\$ 380,250</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>118</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>124</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>128</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>132</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>134</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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment in capital assets	\$81,138,315	\$71,795,686	\$63,530,757	\$54,584,950	\$52,021,416	\$48,788,494	\$46,260,204	\$50,782,100	\$47,774,042	\$44,986,764
Restricted	18,597,612	17,174,078	19,876,123	20,473,399	18,279,391	18,891,453	17,535,881	12,385,358	14,277,668	15,928,778
Unrestricted	(99,676,092)	(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
Total net position	\$59,835	(\$9,822,528)	(\$34,528,217)	(\$67,194,658)	\$110,129,912	\$85,015,493	\$83,649,512	\$78,083,513	\$68,111,900	\$71,298,659

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)

	2017	2016	2015	2014	2013
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$84,233,891	\$73,908,072	\$68,584,408	\$66,313,068	\$65,111,562
Special	31,521,679	28,042,044	25,107,853	25,480,559	19,263,846
Vocational	444,595	405,855	366,088	445,614	374,107
Other	583,781	501,539	476,725	1,112,390	703,618
Support services					
Pupil	16,292,308	13,872,815	12,969,840	12,572,832	11,905,444
Instructional Staff	6,628,390	5,737,536	4,740,756	5,024,415	8,150,793
Board of education	1,177,092	1,022,775	1,011,234	976,576	1,095,184
Administration	12,900,657	12,301,803	11,317,560	11,184,393	11,536,433
Fiscal	3,102,165	2,937,632	3,284,545	2,419,301	2,969,256
Business	1,481,475	1,116,402	1,183,128	771,179	749,427
Operation and maintenance	13,981,402	12,956,102	12,843,328	12,264,013	11,913,251
Pupil transportation	9,111,824	8,373,304	8,230,115	8,033,390	7,540,459
Central	2,882,809	2,722,004	2,440,728	3,114,022	3,095,770
Other non-instructional	1,551,059	1,564,744	7,654,093	996,307	1,104,465
Food service operations	5,697,364	5,167,219	5,410,307	4,234,420	4,422,324
Extracurricular activities	3,568,071	3,471,963	3,192,138	3,191,362	3,035,404
Interest and fiscal charges	3,031,487	3,306,935	3,318,675	3,415,848	4,518,402
Total governmental activities	<u>\$198,190,049</u>	<u>\$177,408,744</u>	<u>\$172,131,521</u>	<u>\$161,549,689</u>	<u>\$157,489,745</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$2,441,220	\$1,901,613	\$1,541,558	\$1,302,069	\$1,254,691
Special	222,364	328,004	461,720	403,803	353,219
Pupil	154,985	210,009	188,009	269,086	282,575
Operations and maintenance	845,038	761,658	582,277	585,468	659,830
Food service operations	2,354,167	2,219,353	2,043,230	2,008,596	2,192,185
Extracurricular activities	1,181,367	1,303,030	1,440,257	1,402,184	1,395,942
Operating grants and contributions	18,488,351	17,269,656	26,095,560	13,277,875	11,268,684
Capital grants and contributions	176,247	-	-	-	-
Total governmental activities	<u>25,863,739</u>	<u>23,993,323</u>	<u>32,352,611</u>	<u>19,249,081</u>	<u>17,407,126</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$172,326,310)</u>	<u>(\$153,415,421)</u>	<u>(\$139,778,910)</u>	<u>(\$142,300,608)</u>	<u>(\$140,082,619)</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$110,181,415	\$108,123,915	\$105,839,968	\$111,221,456	\$103,584,589
Debt service	7,611,818	7,749,164	7,562,574	6,848,950	6,577,946
Capital outlay	8,156,537	7,890,629	7,707,332	8,176,677	7,592,955
Grants and entitlements not restricted to specific programs	52,312,476	49,942,547	47,812,297	48,084,282	44,384,373
Insurance recoveries	-	-	-	-	-
Payments in lieu of taxes	3,435,072	3,204,684	3,213,638	3,124,487	2,878,328
Investment earnings	304,147	969,058	300,812	74,676	26,670
Miscellaneous	207,208	241,113	8,730	48,440	152,177
Extraordinary item	-	-	-	-	-
Total governmental activities	<u>182,208,673</u>	<u>178,121,110</u>	<u>172,445,351</u>	<u>177,578,968</u>	<u>165,197,038</u>
<b>Change in net position</b>					
Governmental activities	<u>\$9,882,363</u>	<u>\$24,705,689</u>	<u>\$32,666,441</u>	<u>\$35,278,360</u>	<u>\$25,114,419</u>

Source: School district financial records

	2012	2011	2010	2009	2008
<b>Expenses:</b>					
Governmental activities:					
Instruction					
Regular	\$77,038,152	\$69,983,172	\$69,463,578	\$67,449,754	\$65,456,070
Special	22,144,035	23,747,901	21,153,825	21,788,841	19,601,737
Vocational	252,328	915,477	548,891	593,157	678,722
Other	855,741	4,970,334	4,568,165	4,558,042	3,482,504
Support services					
Pupil	12,320,476	12,816,822	11,340,996	11,253,575	10,363,670
Instructional Staff	9,133,132	6,401,728	5,242,394	5,541,038	4,603,913
Board of education	1,424,003	1,728,752	1,651,416	1,456,641	1,536,818
Administration	12,508,555	11,888,608	11,245,165	10,791,283	10,033,797
Fiscal	2,628,335	2,804,650	2,625,949	1,632,219	2,417,545
Business	818,150	1,204,083	952,097	988,944	1,000,857
Operation and maintenance	12,980,201	16,024,992	14,131,404	13,624,034	13,857,342
Pupil transportation	8,816,149	8,815,697	8,473,897	7,987,307	7,401,674
Central	2,392,018	2,731,958	3,553,586	3,514,157	2,459,665
Other non-instructional	1,081,274	1,048,002	985,404	1,190,109	873,719
Food service operations	4,540,831	4,498,897	4,262,060	4,120,885	4,091,536
Extracurricular activities	3,333,926	3,320,713	3,156,520	2,888,932	2,845,872
Interest and fiscal charges	4,592,392	5,627,155	5,665,429	5,566,387	5,780,535
Total governmental activities	<u>\$176,859,698</u>	<u>\$178,528,941</u>	<u>\$169,020,776</u>	<u>\$164,945,305</u>	<u>\$156,485,976</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services and sales					
Instruction					
Regular	\$1,330,006	\$1,377,360	\$1,283,750	\$1,283,887	\$1,307,979
Special	384,891	302,016	405,395	196,923	191,520
Pupil	285,892	-	-	-	-
Operations and maintenance	620,748	-	-	-	-
Food service operations	2,286,224	2,755,355	2,757,264	2,799,032	2,752,314
Extracurricular activities	1,216,395	1,488,255	1,410,889	1,355,317	1,331,796
Operating grants and contributions	13,775,709	10,502,282	9,498,432	7,869,476	7,086,656
Capital grants and contributions	3,800	-	-	-	-
Total governmental activities	<u>19,903,665</u>	<u>16,425,268</u>	<u>15,355,730</u>	<u>13,504,635</u>	<u>12,670,265</u>
<b>Net (expense)/revenue</b>					
Governmental activities	<u>(\$156,956,033)</u>	<u>(\$162,103,673)</u>	<u>(\$153,665,046)</u>	<u>(\$151,440,670)</u>	<u>(\$143,815,711)</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$93,253,033	\$97,182,551	\$92,703,533	\$80,868,900	\$78,858,985
Debt service	8,098,833	8,092,890	10,695,455	10,612,532	9,537,826
Capital outlay	8,102,942	7,539,296	5,273,876	5,290,857	5,208,015
Grants and entitlements not restricted to specific programs	45,138,161	52,556,276	52,929,017	49,181,194	47,212,653
Insurance recoveries	-	-	-	-	3,438,753
Payments in lieu of taxes	2,385,150	1,279,078	1,117,132	974,418	680,171
Investment earnings	35,235	87,739	54,648	459,231	1,432,458
Miscellaneous	374,973	931,842	862,998	866,779	759,064
Extraordinary item	933,687	-	-	-	-
Total governmental activities	<u>158,322,014</u>	<u>167,669,672</u>	<u>163,636,659</u>	<u>148,253,911</u>	<u>147,127,925</u>
<b>Change in net position</b>					
Governmental activities	<u>\$1,365,981</u>	<u>\$5,565,999</u>	<u>\$9,971,613</u>	<u>(\$3,186,759)</u>	<u>\$3,312,214</u>



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General fund</b>										
Nonspendable	\$813,460	\$526,976	\$416,379	\$399,060	\$439,078	\$422,187	\$98,661	N/A	N/A	N/A
Committed	N/A	1,560,834	29,500	175,524	N/A	N/A	N/A	N/A	N/A	N/A
Assigned	1,787,308	1,661,076	1,224,286	1,679,597	1,547,118	2,344,056	790,544	N/A	N/A	N/A
Unassigned	119,255,039	104,799,855	89,120,393	68,882,461	37,536,050	17,381,879	23,564,136	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$30,427,754	\$26,081,899	\$24,390,792
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(8,480,367)	(15,420,065)	(9,236,180)
<b>Total General fund</b>	<b>\$121,855,807</b>	<b>\$108,548,741</b>	<b>\$90,790,558</b>	<b>\$71,136,642</b>	<b>\$39,522,246</b>	<b>\$20,148,122</b>	<b>\$24,453,341</b>	<b>\$21,947,387</b>	<b>\$10,661,834</b>	<b>\$15,154,612</b>
<b>All other governmental funds</b>										
Nonspendable	\$340,265	\$467,418	\$649,121	\$341,486	\$146,804	\$28,811	\$30,463	N/A	N/A	N/A
Restricted:										
Debt service	8,497,852	8,462,043	8,418,185	8,293,123	8,094,220	8,447,429	7,964,302	N/A	N/A	N/A
Capital improvements	7,825,164	6,077,590	8,354,384	9,284,691	7,544,471	7,818,103	11,866,584	N/A	N/A	N/A
Other purposes	3,487,468	2,967,954	2,296,490	2,657,314	2,309,525	2,103,186	157,646	N/A	N/A	N/A
Committed	-	-	-	-	-	-	1,024,033	N/A	N/A	N/A
Unassigned	(4,036)	(3,936)	(28,024)	(367,746)	(231,827)	(1,119)	998,493	N/A	N/A	N/A
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$17,667,994	\$5,647,773	\$6,468,109
Unreserved, reported in:										
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,876,475	6,892,804	5,937,642
Permanent Improvement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13,069,634	4,197,928	5,653,428
Special Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	792,859	901,467	1,101,957
<b>Total all other governmental funds</b>	<b>\$20,146,713</b>	<b>\$17,971,069</b>	<b>\$19,690,156</b>	<b>\$20,208,868</b>	<b>\$17,863,193</b>	<b>\$18,396,410</b>	<b>\$22,041,521</b>	<b>\$39,406,962</b>	<b>\$17,639,972</b>	<b>\$19,161,136</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)

	2017	2016	2015	2014	2013
<b>Revenues:</b>					
From local sources:					
Property taxes	\$126,134,736	\$124,023,549	\$121,276,452	\$127,136,099	\$118,280,521
Payment in lieu of taxes	3,435,072	3,204,684	3,213,638	3,124,487	2,878,328
Tuition	2,257,514	1,833,293	1,587,327	1,142,678	1,079,589
Earnings on investments	346,537	980,944	221,523	58,323	27,589
Charges for services	2,329,261	2,212,531	2,043,230	2,008,596	2,192,185
Extracurricular	1,332,772	1,489,064	1,621,420	1,671,270	1,678,517
Intergovernmental - state	61,276,337	59,041,825	65,223,827	52,698,298	47,565,426
Intergovernmental - federal	9,472,408	8,531,467	8,050,706	8,257,359	7,515,865
Other revenue	1,687,781	1,497,505	1,357,722	1,416,984	1,594,091
<b>Total revenues</b>	<b>208,272,418</b>	<b>202,814,862</b>	<b>204,595,845</b>	<b>197,514,094</b>	<b>182,812,111</b>
<b>Expenditures:</b>					
Instructional					
Regular	74,669,748	69,643,637	67,900,858	61,455,256	62,252,644
Special	28,510,975	26,807,474	25,022,103	23,681,609	18,337,328
Vocational	426,686	382,066	350,658	415,886	347,695
Other	507,204	508,207	478,046	1,081,547	727,505
Support Services					
Pupil	14,835,096	13,943,880	13,408,955	12,550,934	12,198,691
Instructional staff	6,050,835	5,656,216	4,918,021	4,935,081	8,261,218
Board of education	1,173,196	1,018,812	1,007,703	663,021	472,039
Administration	11,667,051	11,558,474	11,089,546	10,420,192	10,930,851
Fiscal	3,019,062	2,925,189	3,290,270	2,423,238	2,989,204
Business	1,261,554	1,118,033	1,195,351	765,024	705,323
Operation and maintenance	12,710,150	12,369,949	12,571,794	12,111,834	11,972,843
Pupil transportation	7,835,080	7,534,851	7,604,653	7,379,932	7,104,390
Central	2,190,204	1,876,133	1,888,561	2,090,354	2,281,970
Other non-instructional	1,448,465	1,555,573	7,655,236	988,442	1,112,708
Food service operations	5,413,295	5,146,018	5,383,345	4,212,936	4,389,180
Extracurricular activities	3,020,629	3,171,892	2,928,280	2,823,848	2,803,033
Facilities acquisition and construction	6,432,272	10,242,003	7,539,276	5,342,023	6,266,301
Capital Outlay	-	750,440	-	-	-
Debt Service:					
Principal retirement	8,624,483	8,440,035	7,915,000	6,975,000	7,165,000
Interest and fiscal charges	2,454,738	3,081,141	3,312,985	3,516,394	3,718,539
Bond issuance costs	108,000	-	-	-	366,527
<b>Total expenditures</b>	<b>192,358,723</b>	<b>187,730,023</b>	<b>185,460,641</b>	<b>163,832,551</b>	<b>164,402,989</b>
Excess (deficiency) of revenues over (under) expenditures	15,913,695	15,084,839	19,135,204	33,681,543	18,409,122
Other financing sources (uses):					
Sale of refunding bonds	23,040,000	-	-	-	27,320,000
Premium on refunding bonds	-	-	-	-	3,492,263
Payment to bond escrow agent	(23,488,774)	-	-	-	(30,445,736)
Tax Anticipation Notes issued	-	-	-	-	-
Premium on tax anticipation notes	-	-	-	-	-
Capital lease transaction	-	750,440	-	-	-
Proceeds on sale of assets	17,789	203,817	-	278,528	65,258
Transfers in	3,027,500	3,023,094	3,077,013	3,072,463	2,979,300
Transfers out	(3,027,500)	(3,023,094)	(3,077,013)	(3,072,463)	(2,979,300)
Insurance recoveries	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(430,985)</b>	<b>954,257</b>	<b>-</b>	<b>278,528</b>	<b>431,785</b>
<b>Net change in fund balances</b>	<b>\$15,482,710</b>	<b>\$16,039,096</b>	<b>\$19,135,204</b>	<b>\$33,960,071</b>	<b>\$18,840,907</b>
Debt service as a percentage of noncapital expenditures	6.00%	6.40%	6.32%	6.50%	6.77%

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.

	2012	2011	2010	2009	2008
<b>Revenues:</b>					
From local sources:					
Property taxes	\$108,880,413	\$112,396,958	\$108,538,581	\$96,035,461	\$93,041,686
Payment in lieu of taxes	2,385,150	1,279,078	1,117,132	974,418	680,171
Tuition	1,145,130	1,679,376	1,448,710	1,241,502	1,260,389
Earnings on investments	35,657	87,187	53,787	435,765	1,364,612
Charges for services	2,283,149	2,755,355	N/A	N/A	N/A
Extracurricular	1,480,081	1,488,255	1,410,889	1,355,317	1,331,796
Intergovernmental - state	48,531,131	51,597,664	51,330,484	50,719,372	48,774,564
Intergovernmental - federal	9,819,993	11,952,761	8,627,884	4,791,082	4,180,663
Other revenue	1,814,913	1,048,321	896,921	918,238	789,189
<b>Total revenues</b>	<b>176,375,617</b>	<b>184,284,955</b>	<b>173,424,388</b>	<b>156,471,155</b>	<b>151,423,070</b>
<b>Expenditures:</b>					
Instructional					
Regular	71,201,427	66,458,161	66,266,194	64,155,120	58,719,818
Special	20,784,931	22,876,833	20,453,616	20,884,904	18,651,131
Vocational	212,194	888,488	523,561	567,680	644,768
Other	840,636	4,807,010	4,401,401	4,397,956	3,330,470
Support Services					
Pupil	12,299,051	12,869,176	11,270,648	11,175,462	10,304,731
Instructional staff	9,085,119	6,349,461	5,298,758	5,528,096	4,627,808
Board of education	1,424,110	1,728,431	1,651,416	1,456,641	1,536,818
Administration	11,299,484	11,323,936	10,825,911	10,201,514	9,648,630
Fiscal	2,620,580	2,793,321	2,948,045	1,629,092	2,399,553
Business	860,314	1,174,471	903,218	953,696	969,238
Operation and maintenance	12,927,669	15,635,931	13,878,489	13,414,960	13,742,638
Pupil transportation	8,183,791	8,331,020	7,947,634	7,436,535	6,969,000
Central	2,322,652	2,384,339	2,422,504	3,435,033	2,276,147
Other non-instructional	978,110	1,055,554	982,797	1,175,295	872,641
Food service operations	4,498,250	4,455,617	600	1,500	23,650
Extracurricular activities	3,152,392	3,194,118	2,998,384	2,819,478	2,771,679
Facilities acquisition and construction	10,212,668	20,716,089	1,947,983	2,877,972	6,848,222
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal retirement	6,535,000	7,660,000	7,095,000	5,700,000	5,580,000
Interest and fiscal charges	4,887,569	5,178,619	4,420,045	4,674,163	4,898,604
Bond issuance costs	-	-	-	-	-
<b>Total expenditures</b>	<b>184,325,947</b>	<b>199,880,575</b>	<b>166,236,204</b>	<b>162,485,097</b>	<b>154,815,546</b>
Excess (deficiency) of revenues over (under) expenditures	(7,950,330)	(15,595,620)	7,188,184	(6,013,942)	(3,392,476)
Other financing sources (uses):					
Sale of refunding bonds	-	-	-	-	-
Premium on refunding bonds	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Tax Anticipation Notes issued	-	-	24,415,000	-	-
Premium on tax anticipation notes	-	-	1,488,342	-	-
Proceeds on sale of assets	-	-	-	-	-
Transfers in	2,980,338	467,959	2,687,736	-	-
Transfers out	(2,980,338)	(467,959)	(2,726,719)	-	-
Insurance recoveries	-	-	-	-	3,438,753
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>25,864,359</b>	<b>-</b>	<b>3,438,753</b>
<b>Net change in fund balances</b>	<b>(\$7,950,330)</b>	<b>(\$15,595,620)</b>	<b>\$33,052,543</b>	<b>(\$6,013,942)</b>	<b>\$46,277</b>
Debt service as a percentage of noncapital expenditures	6.38%	7.17%	7.01%	6.50%	6.95%

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

Collection Year	Real Property (a)		Tangible Personal Property General Business (b)		Tangible Personal Property Public Utility (c)		Total		(d) Total Direct Voted Rate
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2017	\$2,294,410,060	\$6,555,457,314	\$0	\$0	\$48,206,100	\$137,731,714	\$2,342,616,160	\$6,693,189,029	80.35
2016	\$2,284,046,520	\$6,525,847,200	\$0	\$0	\$38,809,570	\$110,884,486	\$2,322,856,090	\$6,636,731,686	80.50
2015	\$2,282,514,080	\$6,521,468,800	\$0	\$0	\$37,466,650	\$107,047,571	\$2,319,980,730	\$6,628,516,371	80.60
2014	\$2,268,657,130	\$6,481,877,514	\$0	\$0	\$36,496,620	\$104,276,057	\$2,305,153,750	\$6,586,153,571	80.05
2013	\$2,263,716,500	\$6,467,761,429	\$0	\$0	\$36,724,810	\$104,928,029	\$2,300,441,310	\$6,572,689,457	80.10
2012	\$2,261,818,730	\$6,462,339,229	\$0	\$0	\$36,661,360	\$104,746,743	\$2,298,480,090	\$6,567,085,971	73.20
2011	\$2,421,002,290	\$6,917,149,400	\$0	\$0	\$44,873,240	\$128,209,257	\$2,465,875,530	\$7,045,358,657	72.95
2010	\$2,433,460,260	\$6,952,743,600	\$2,114,706	\$42,294,120	\$39,065,530	\$111,615,800	\$2,474,640,496	\$7,106,653,520	73.00
2009	\$2,418,789,480	\$6,910,827,086	\$4,064,812	\$40,648,120	\$38,076,550	\$108,790,143	\$2,460,930,842	\$7,060,265,349	73.00
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

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				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	Total Direct										
2016/2017 Res/Agr Comm/Ind	68.95	3.65	3.95	3.80	80.35	7.48	23.10	3.14	37.11	13.30	15.25	23.50	15.10	23.10
	47.92	3.65	3.78	3.80	59.15	7.22	16.04	3.14	26.57	13.10	11.72	18.46	15.10	16.04
	51.03	3.65	3.92	3.80	62.41	7.39	18.17	3.14	28.13	13.30	10.00	21.59	15.10	18.17
2015/2016	68.95	3.80	3.95	3.80	80.50	6.75	20.30	3.14	32.51	13.30	15.25	23.50	15.10	20.30
2014/2015	69.05	3.80	3.95	3.80	80.60	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	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	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	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	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	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	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	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	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 Ten Years Ago

Name of Taxpayer	June 30, 2016	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Ohio Power Company	\$4,977,020	0.47%
2. Columbia Gas Of Ohio, Inc.	\$3,482,990	0.33%
<u>Real Estate</u>		
1. GC Net Least	\$12,425,000	1.18%
2. St. Ann's Hospital of Columbus, Inc.	\$10,838,100	1.03%
3. Banc One Management Corp.	\$9,318,750	0.89%
4. NRI Brookside LLC	\$8,598,520	0.82%
5. Maxtown Communities LLC	\$5,250,000	0.50%
6. Garrison Central II	\$5,215,040	0.50%
7. Meijer Stores Limited Partnership	\$4,876,630	0.46%
8. Westerville Square, Inc.	\$4,869,890	0.46%
9. Westerville Senior Development LTD	\$4,112,510	0.39%
10. Westerville Plaza LP	\$4,055,510	0.39%
<u>Tangible Personal Property *</u>		
All Others	\$973,235,960	92.59%
Total Assessed Valuation	\$1,051,255,920	100.00%

Name of Taxpayer	June 30, 2007	
	Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>		
1. Ohio Power Company	-	-
2. Columbia Gas Of Ohio, Inc.	\$1,726,280	0.16%
3. Columbus Southern Power	\$2,884,250	0.26%
4. Ohio Bell Telephone Company	\$516,260	0.05%
<u>Real Estate</u>		
1. Banc One Management Corp.	\$15,880,000	1.45%
2. NRI Brookside LLC	\$9,812,350	0.89%
3. St. Ann's Hospital of Columbus, Inc.	\$6,889,060	0.63%
4. Otterbein College	\$6,497,340	0.59%
5. Maxtown Communities LLC	\$5,508,090	0.50%
6. Meijer Stores Limited Partnership	\$4,930,670	0.45%
7. Altair Realty LTD	\$3,786,790	0.35%
8. Spectrum Equities LLC	\$3,220,000	0.29%
9. Westerville Plaza LP	\$3,200,820	0.29%
10. Westerville Square Inc.	\$3,197,260	0.29%
<u>Tangible Personal Property</u>		
1. Worthington Cylinder Corp.	\$1,455,430	0.13%
2. Exel, Inc.	\$1,438,650	0.13%
3. Meijer Stores Limited Partnership	\$1,371,330	0.13%
4. Sprint Nextel Corporation	\$1,028,020	0.09%
5. Ohio Bell Telephone Company	\$977,290	0.09%
6. Tamarkin Company	\$870,200	0.08%
7. Lake Shore Cryotronics, Inc.	\$758,670	0.07%
8. Home Depot USA Inc.	\$662,950	0.06%
9. Roush Equipment Company Inc.	\$582,995	0.05%
10. Cheryl & Company	\$559,180	0.05%
All Others	\$1,019,603,989	92.91%
Total Assessed Valuation	\$1,097,357,874	100.0%

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
2016/17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2015/16	\$87,702,741	\$3,553,808	\$91,256,549	\$85,339,264	97.31%	\$2,187,801	\$87,527,065	95.91%	\$3,201,392
2014/15	\$88,741,731	\$4,226,422	\$92,968,153	\$84,652,852	95.39%	\$2,161,142	\$86,813,994	93.38%	\$3,480,011
2013/14	\$88,688,995	\$4,520,784	\$93,209,779	\$83,920,172	94.62%	\$2,366,103	\$86,286,275	92.57%	\$4,394,802
2012/13	\$88,969,623	\$4,901,003	\$93,870,626	\$84,426,794	94.89%	\$2,942,903	\$87,369,697	93.07%	\$4,467,594
2011/12	\$78,951,976	\$5,417,100	\$84,369,076	\$75,028,801	95.03%	\$2,493,415	\$77,522,216	91.88%	\$4,613,790
2010/11	\$82,234,952	\$4,869,838	\$87,104,790	\$78,558,229	95.53%	\$1,968,273	\$80,526,502	92.45%	\$5,264,973
2009/10	\$82,048,998	\$4,371,915	\$86,420,913	\$79,289,214	96.64%	\$2,345,092	\$81,634,306	94.46%	\$4,685,629
2008/09	\$69,423,869	\$4,055,888	\$73,479,757	\$66,559,029	95.87%	\$2,341,458	\$68,900,487	93.77%	\$4,312,427
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

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				
2017	\$60,942,968	\$10,725,000	\$71,667,968	1.95%	\$747	\$4,753
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

(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
2017	\$6,693,189,029	\$71,667,968	\$8,497,852	\$63,170,116	0.94%	\$658
2016	\$6,636,731,685	\$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

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, 2017

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>\$72,163,890</u>	100.00%	<u>\$72,163,890</u>
Overlapping:			
Delaware County	\$50,525,100	12.37%	\$6,249,955
Franklin County	\$220,990,000	5.41%	\$11,955,559
City of Columbus	\$1,102,245,000	3.47%	\$38,247,902
City of Westerville	\$13,380,000	97.09%	\$12,990,642
Plain Township	\$1,317,000	1.08%	\$14,224
New Albany Plain Local Park District Misc.	<u>\$4,894,476</u>	0.79%	<u>\$38,666</u>
Total Overlapping	<u>\$1,393,351,576</u>		<u>\$69,496,948</u>
Total Direct and Overlapping Debt	<u><u>\$1,465,515,466</u></u>		<u><u>\$141,660,838</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, 2017

Assessed Valuation	<u>\$2,342,616,160</u>									
Voted and Unvoted Debt Limit - 9% of Assessed Valuation	\$210,835,454									
Balance in Debt Service Fund	<u>\$8,497,852</u>									
Total Debt Outstanding	\$69,995,000									
Less: Exempted Debt	<u>\$0</u>									
Net subject to 9% limit	\$69,995,000									
Total Legal Voted Debt Margin	<u>\$149,338,306</u>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$219,333,306	\$217,519,091	\$217,216,451	\$215,756,961	\$215,133,938	\$215,310,637	\$229,893,100	\$233,833,936	\$231,585,943	\$231,426,150
Total Net Debt Applicable to Limit	<u>\$69,995,000</u>	<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>
Legal Debt Margin	<u>\$149,338,306</u>	<u>\$139,049,091</u>	<u>\$130,411,451</u>	<u>\$121,036,961</u>	<u>\$113,438,938</u>	<u>\$106,415,637</u>	<u>\$116,173,131</u>	<u>\$115,211,724</u>	<u>\$130,935,497</u>	<u>\$125,661,565</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	31.91%	36.07%	39.96%	43.90%	47.27%	50.58%	49.47%	50.73%	43.46%	45.70%

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
2017	96,001	\$38,363	\$3,682,886,363	3.7%	52.3%	15,079
2016	94,390	\$38,181	\$3,603,904,590	3.5%	52.6%	14,890
2015	93,829	\$37,431	\$3,512,113,299	3.7%	51.8%	14,722
2014	93,600	\$36,857	\$3,449,815,200	4.9%	51.1%	14,674
2013	93,378	\$37,143	\$3,468,339,054	5.2%	50.7%	14,705
2012	92,959	\$35,887	\$3,336,019,633	6.6%	49.9%	14,844
2011	92,789	\$34,899	\$3,238,243,311	6.8%	51.7%	14,833
2010	80,702	\$35,328	\$2,851,040,256	7.6%	50.7%	14,622
2009	80,536	\$35,328	\$2,845,175,808	5.7%	50.7%	14,558
2008	80,404	\$29,401	\$2,363,958,004	4.0%	44.6%	14,477

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 2016

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	5,979	9.3%	Banking & Financial Services
2 Mount Carmel Health Systems	2,906	4.5%	Health Care
3 Otterbein College	1,740	2.7%	Private College
4 Westerville City Schools	1,706	2.7%	Public Education
5 Alliance Data Systems, Inc.	1,292	2.0%	Finance Credit Services
6 Ohio Health	1,072	1.7%	Health Care
7 Franklin Education Service Center	938	1.5%	Educational Consultancy
8 City of Westerville	852	1.3%	Municipal Government
9 Inchord Communications/Gerbig Snell	677	1.1%	Marketing & Advertising
10 Exel Inc.	658	1.0%	Contract Logistics Provider
Total	<u>17,820</u>	<u>27.8%</u>	

December 2007

Employer	Employees	Percentage of Total Employment	Type of Business
1 J. P. Morgan Chase (Bank One)	3,837	2.5%	Banking & Financial Services
2 Mount Carmel Health Systems	2,366	1.5%	Health Care
3 Westerville City Schools	2,195	1.4%	Public Education
4 Otterbein College	1,810	1.2%	Private College
5 CMS Subsidiary	1,591	1.0%	Membership Services
6 Alliance Data Systems, Inc.	1,433	0.9%	Finance Credit Services
7 1-800 Flowers (Cheryl's Cookies)	959	0.6%	Retail Food
8 City of Westerville	862	0.6%	Municipal Government
9 Heartland Employment Services LLC	797	0.5%	Financial Services
10 Meijer Stores	597	0.4%	Retail Food
Total	<u>16,447</u>	<u>10.6%</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, 2016

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Professional staff:										
Teaching staff:										
Elementary	427.50	434.10	433.50	422.00	414.00	410.50	415.95	433.07	403.41	383.94
Middle	219.50	211.13	206.20	210.00	205.50	195.50	208.80	232.25	232.40	231.85
High	283.60	276.40	261.40	251.20	256.00	246.83	257.35	271.65	278.35	267.30
Administrators:										
Certificated	66.00	58.00	61.00	56.00	52.00	54.50	56.50	55.50	55.50	56.80
Classified	10.00	15.00	13.00	16.00	14.00	14.00	16.00	16.00	16.00	17.25
Guidance counselors	35.00	32.00	32.00	31.00	30.00	29.00	32.00	32.00	32.00	30.00
Social Workers	7.00	7.00	7.00	7.00	4.50	6.50	0.00	1.00	1.00	2.00
Psychologists	14.30	12.00	12.00	12.00	13.60	13.00	16.70	14.20	14.20	14.60
Nurses	10.20	10.20	10.20	10.00	10.00	10.00	9.84	10.00	10.00	9.40
Speech	22.60	21.30	21.30	21.30	21.30	21.30	21.30	19.10	19.10	18.55
Adapted phys ed. - OT/PT	20.50	17.60	17.60	17.60	15.60	17.40	12.60	5.00	5.00	13.60
Media specialist	17.00	14.00	14.00	12.00	14.50	10.00	15.00	15.00	14.00	15.00
Support staff:										
Secretarial	104.67	105.99	101.18	96.48	94.54	98.90	113.62	113.62	114.87	114.87
ESL paraprofessionals	19.26	20.84	20.84	19.18	19.29	20.41	20.56	20.56	20.92	20.92
Educational Interpreter	0.81	0.81	0.81	2.51	1.70	1.62	1.62	-	-	-
Job Coaches	3.88	3.88	3.88	3.40	3.88	3.88	4.73	4.73	4.45	4.45
Health Aides	9.17	9.69	11.24	9.05	8.65	8.85	8.86	8.86	8.86	8.86
Recess aides/crossing guards	22.52	27.67	26.96	21.44	32.05	20.79	23.10	23.10	24.50	24.50
Building/duty monitors	7.54	7.63	7.63	7.63	7.38	6.72	13.41	12.60	12.54	12.54
Parent Mentor	1.75	1.75	2.45	0.75	0.75	1.00	0.75	0.75	0.75	0.75
Community Relations Facilitator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
IMS personnel	7.00	7.00	6.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00
Printers	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food service	44.73	44.27	45.90	46.27	50.62	51.03	52.10	52.10	52.61	52.61
Nutrition Education Specialist	-	-	-	-	-	-	-	-	0.50	0.50
Custodial	74.50	72.75	70.25	68.00	69.00	71.75	87.75	88.75	88.75	88.75
Maintenance	15.00	16.00	15.00	14.00	15.00	17.00	18.00	17.00	17.00	17.00
HVAC	3.00	4.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Bus drivers	67.17	63.38	63.02	63.49	65.54	67.70	82.23	82.23	77.10	77.10
Mechanics	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Warehouse	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Total</b>	<u>1,527.20</u>	<u>1,507.39</u>	<u>1,480.36</u>	<u>1,442.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>	<u>1,530.81</u>	<u>1,510.14</u>
Function:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:										
Instruction	948.05	940.66	920.13	908.29	900.37	878.74	909.01	962.26	939.53	908.46
Support services:										
Pupils	142.02	132.04	132.59	127.95	117.10	120.05	115.30	105.16	105.16	112.01
Instructional staff	67.06	69.30	67.59	58.07	65.93	53.51	67.01	69.70	70.04	70.04
Administration	103.42	101.74	100.93	93.98	94.09	95.40	108.62	106.12	107.37	112.92
Fiscal services	8.50	8.50	8.00	8.00	10.00	11.00	11.00	11.00	11.00	11.00
Business services	9.50	10.00	10.00	10.00	10.00	9.50	11.50	11.50	11.50	11.50
Operation & maintenance	97.50	97.25	91.75	88.50	91.50	96.25	114.25	114.25	114.25	114.25
Student transportation	79.17	75.38	75.02	75.99	78.04	80.70	95.23	95.23	90.10	90.10
Central services	16.00	16.00	16.50	15.50	17.00	17.00	21.00	19.00	19.00	17.00
Food service operations	48.23	48.77	49.40	49.27	53.62	54.03	55.10	55.10	56.11	56.11
Community services	1.75	1.75	2.45	0.75	0.75	1.00	1.75	0.75	0.75	0.75
Extra-curricular activities	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>Total governmental activities</b>	<u>1,527.20</u>	<u>1,507.39</u>	<u>1,480.36</u>	<u>1,442.30</u>	<u>1,444.40</u>	<u>1,423.18</u>	<u>1,515.77</u>	<u>1,556.07</u>	<u>1,530.81</u>	<u>1,510.14</u>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities</b>										
Instruction										
Regular and special										
Enrollment (Students)	15,079	14,890	14,722	14,674	14,705	15,025	14,833	14,622	14,558	14,477
Graduation rate (four years)	N/A	90.5%	88.9%	90.3%	90.2%	92.1%	90.5%	93.3%	93.4%	91.9%
Support services - pupil										
% of students going on to higher education	75.0%	74.7%	76.0%	72.3%	78.0%	69.6%	70.0%	85.0%	85.0%	84.5%
% of students with disabilities	13.0%	12.8%	13.0%	13.3%	13.3%	13.6%	12.5%	11.7%	11.7%	12.1%
% of limited English proficient students	10.4%	10.2%	10.8%	10.4%	10.3%	8.2%	8.4%	8.8%	7.8%	7.1%
School administration										
Student attendance rate	94.6%	93.7%	95.3%	94.4%	94.7%	95.7%	95.8%	95.7%	95.9%	95.6%
Fiscal										
Purchase orders processed	7,920	7,313	7,353	7,676	7,738	8,197	9,947	9,636	10,049	9,895
Nonpayroll checks issued	8,650	9,272	9,898	9,825	10,077	10,673	11,217	10,802	11,170	10,991
Business										
Facility rentals permits issued	369	368	367	401	387	370	416	378	332	312
Maintenance										
Maintenance work orders completed	9,497	7,557	7,225	7,776	7,293	7,102	7,686	7,315	7,057	7,172
District square footage maintained by custodians and maintenance staff	2,173,542	2,157,894	2,161,396	2,165,492	2,165,492	2,167,028	2,168,660	2,112,955	2,112,955	2,112,955
District acreage maintained by grounds staff	427	427	412	412	412	412	412	403	403	403
Transportation										
Avg. public and parochial students transported daily	9,992	9,194	9,100	9,064	8,863	8,785	11,293	10,325	10,640	10,671
Avg. daily bus stops	5,129	5,104	5,150	4,339	4,170	4,313	5,384	5,564	5,820	6,216
Central										
Information technology services work orders completed	12,000	11,800	11,164	8,545	8,435	8,916	6,610	6,418	6,072	4,126
Food service operations										
Breakfasts served to students	502,043	482,828	395,482	339,020	324,224	353,366	321,048	295,104	156,346	177,601
Lunches served to students	1,020,324	988,971	895,322	871,265	927,035	951,909	708,789	661,529	622,748	620,376
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

	2017	2016	2015	2014	2013
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$10,465,181	\$10,211,506	\$10,031,514	\$10,031,514	\$10,031,514
Buildings/improvements	206,573,744	203,294,319	197,503,930	197,343,161	197,339,963
Furniture/equipment	3,779,856	2,995,239	2,943,519	2,320,588	2,279,518
Vehicles	164,171	164,171	164,171	39,200	39,200
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	204,209	198,667	189,622	203,941	193,450
Vocational Instruction					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	-	-	-	-	-
Vehicles	21,479	21,479	21,479	21,479	21,479
Pupil Support					
Land/improvements	-	-	-	-	3,550
Buildings/improvements	-	-	-	-	312,235
Furniture/equipment	51,364	51,364	44,840	44,840	44,360
Instructional Support Staff					
Land/improvements	111,958	111,958	-	-	-
Furniture/equipment	106,937	106,937	70,486	70,486	66,400
General Administration					
Buildings/improvements	45,228	45,228	45,228	45,228	-
Furniture/equipment	7,712	7,712	7,712	7,712	7,712
School Administration					
Buildings/improvements	1,343,706	1,325,177	1,325,177	1,325,177	1,325,177
Furniture/equipment	262,292	262,292	262,292	257,185	247,432
Fiscal Services					
Furniture/equipment	-	-	-	-	-
Business services					
Buildings/improvements	371,703	371,703	371,703	371,703	371,703
Furniture/equipment	14,686	10,886	44,793	44,793	72,165
Vehicles	208,792	208,792	208,792	208,792	175,698
Operation & maintenance					
Land/improvements	962,419	962,419	962,419	904,080	818,129
Buildings/improvements	9,363,636	9,363,636	9,331,631	4,976,260	3,412,115
Furniture/equipment	2,260,804	2,195,345	1,384,455	1,285,448	884,853
Vehicles	606,244	509,526	481,958	493,958	536,946
Student transportation					
Land/improvements	297,779	294,084	294,084	294,084	294,084
Buildings/improvements	1,539,898	1,522,948	1,525,600	1,522,948	1,522,948
Furniture/equipment	956,855	407,414	365,118	280,564	180,134
Buses	9,453,996	8,439,662	8,439,662	8,038,576	8,276,589
Central services					
Land/improvements	150,817	147,122	147,122	147,122	147,122
Buildings/improvements	3,443,255	3,443,255	3,443,255	3,443,255	3,443,255
Furniture/equipment	4,990,977	5,007,059	5,051,517	4,616,523	4,266,972
Food service operations					
Buildings/improvements	548,287	548,287	548,287	12,330	12,330
Furniture/equipment	1,496,932	1,436,241	1,323,980	1,193,712	1,158,473
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	315,193	219,848	202,053	141,235	106,403
Extra-curricular activities					
Land/improvements	3,555,549	3,366,770	3,366,770	3,366,770	3,361,870
Buildings/improvements	2,131,266	1,994,183	1,739,139	1,739,139	1,213,357
Furniture/equipment	612,920	615,822	621,281	607,289	625,835
<b>Total governmental activities capital assets</b>	<u>\$267,775,962</u>	<u>\$261,217,168</u>	<u>\$253,819,705</u>	<u>\$246,755,209</u>	<u>\$244,149,088</u>



	2012	2011	2010	2009	2008
<b>Governmental Activities</b>					
Regular Instruction					
Land/improvements	\$10,019,143	\$9,704,221	\$9,690,088	\$9,690,088	\$9,653,688
Buildings/improvements	196,698,599	196,110,779	186,946,789	187,013,330	187,065,017
Furniture/equipment	2,161,555	2,060,243	2,278,700	2,293,383	2,313,267
Vehicles	19,500	19,500	5,100	5,100	5,100
Special Instruction					
Land/improvements	3,114	-	-	-	-
Buildings/improvements	1,304,234	1,300,260	-	-	-
Furniture/equipment	181,637	115,372	97,385	96,665	85,091
Vocational Instruction					
Buildings/improvements	-	-	110,873	110,873	110,873
Furniture/equipment	-	5,038	5,038	5,038	5,038
Vehicles	21,479	21,479	21,479	21,479	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	44,360	29,267	37,382	33,599	33,599
Instructional Support Staff					
Land/improvements	-	-	-	-	-
Furniture/equipment	66,400	66,400	66,400	87,534	24,279
General Administration					
Buildings/improvements	-	-	-	-	-
Furniture/equipment	7,712	7,712	-	-	-
School Administration					
Buildings/improvements	1,325,177	1,286,547	-	-	-
Furniture/equipment	242,471	211,741	240,967	240,967	240,967
Fiscal Services					
Furniture/equipment	-	5,900	13,376	13,376	13,376
Business services					
Buildings/improvements	371,703	367,265	96,600	96,600	96,600
Furniture/equipment	60,433	33,907	33,907	33,907	33,907
Vehicles	138,498	101,065	101,065	101,065	101,065
Operation & maintenance					
Land/improvements	818,129	810,889	810,889	424,038	368,112
Buildings/improvements	3,412,115	3,406,849	3,354,284	3,344,317	2,764,203
Furniture/equipment	882,711	849,489	777,594	697,625	646,064
Vehicles	536,946	563,789	552,289	585,688	585,688
Student transportation					
Land/improvements	294,084	294,084	294,084	294,083	294,083
Buildings/improvements	1,522,948	1,537,948	34,648	34,648	34,648
Furniture/equipment	180,133	169,281	120,215	95,549	82,602
Buses	8,362,723	6,994,966	7,454,228	6,920,283	6,681,420
Central services					
Land/improvements					
Buildings/improvements	3,440,603	3,440,603	288,201	288,201	288,201
Furniture/equipment	3,959,165	2,781,666	1,980,122	1,856,664	1,407,719
Food service operations					
Buildings/improvements	12,330	-	-	-	-
Furniture/equipment	1,148,619	1,127,123	1,128,640	1,133,419	1,212,010
Vehicles	48,769	48,769	48,769	48,769	48,769
Community services					
Furniture/equipment	49,338	22,387	6,832	6,832	6,832
Extra-curricular activities					
Land/improvements	3,248,245	2,198,567	1,630,604	1,630,604	799,590
Buildings/improvements	1,213,357	1,213,357	542,483	542,483	542,483
Furniture/equipment	609,725	584,695	517,623	427,907	347,139
Total governmental activities capital assets	<u>\$242,721,740</u>	<u>\$237,806,943</u>	<u>\$219,602,439</u>	<u>\$218,489,899</u>	<u>\$216,224,494</u>

Westerville City School District  
School Building Information  
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	600	625	650	707	700	700	639	639	614
Enrollment	548	530	543	626	666	669	681	719	686	689
Annehurst Elementary (1970)										
Square feet	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747	39,747
Capacity (students)	450	450	450	425	425	450	450	365	365	365
Enrollment	399	396	377	400	366	362	367	366	369	348
Central College Elementary (1931)										
Square feet	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470	15,470
Capacity (students)	125	125	125	125	125	125	125	106	106	106
Enrollment	Closed	Closed	Closed	Closed	Closed	129	129	130	127	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)	450	475	450	450	450	425	391	350	350	374
Enrollment	429	427	427	401	394	400	377	363	339	336
Emerson Elementary (1896)										
Square feet	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005	28,005
Capacity (students)	275	275	250	250	250	250	250	240	240	265
Enrollment	238	239	228	196	215	252	255	251	244	240
Fouse Elementary (2002)										
Square feet	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309	70,309
Capacity (students)	675	675	675	675	700	700	700	639	639	614
Enrollment	656	630	694	698	712	698	722	686	670	656
Hanby Elementary (1922)										
Square feet	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532	43,532
Capacity (students)	250	275	350	425	450	407	382	226	226	292
Enrollment	258	285	251	209	375	353	352	340	327	330
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	700	675	675	650	700	732	650	650	648
Enrollment	664	651	637	616	628	639	665	635	633	660
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)	550	575	600	600	600	600	600	549	549	549
Enrollment	506	508	538	557	551	579	580	566	552	540
Longfellow Elementary (1931)										
Square feet	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753	13,753
Capacity (students)	100	100	125	125	125	125	125	91	91	91
Enrollment	77	99	Closed	Closed	Closed	129	130	130	125	125
Mark Twain Elementary (1974)										
Square feet	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864	45,864
Capacity (students)	575	550	550	525	475	450	450	419	419	419
Enrollment	575	559	537	517	485	469	468	468	468	462
McVay Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	525	500	525	525	475	475	539	418	429	478
Enrollment	536	494	497	506	494	451	501	469	478	477
Pointview Elementary (1973)										
Square feet	51,848	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893
Capacity (students)	375	300	375	350	357	382	357	319	319	348
Enrollment	348	291	297	284	276	278	306	314	317	335

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Robert Frost Elementary (1974)										
Square feet	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763	45,763
Capacity (students)	475	525	475	525	525	525	539	460	460	437
Enrollment	420	445	423	470	477	469	492	435	436	387
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	400	375	350	421	421	421	339	339	377
Enrollment	327	332	311	322	367	359	339	342	302	284
Wilder Elementary (1989)										
Square feet	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159	67,159
Capacity (students)	550	550	550	525	475	500	532	434	459	483
Enrollment	502	474	516	544	505	452	489	482	468	474
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)	700	675	675	650	650	650	650	550	550	564
Enrollment	698	721	718	720	698	684	627	611	583	574
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)	985	975	1,000	975	975	988	975	970	993	960
Enrollment	886	909	917	944	982	1,025	1,052	997	976	961
Heritage Middle School (1989)										
Square feet	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945	117,945
Capacity (students)	925	925	900	900	900	900	900	754	735	749
Enrollment	980	932	928	889	907	882	813	845	833	851
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	925	900	888	888	825	825	751	751	799
Enrollment	939	941	921	927	899	894	900	847	872	880
Westerville Central High School (2003)										
Square feet	291,000	291,000	291,000	291,000	291,000	326,102	326,102	326,102	326,102	326,102
Capacity (students)	1,787	1,765	1,743	1,743	1,743	1,677	1,677	1,683	1,705	1,746
Enrollment	1,863	1,733	1,690	1,654	1,579	1,653	1,575	1,559	1,552	1,548
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)	1,626	1,670	1,648	1,670	1,714	1,736	1,759	1,592	1,572	1,556
Enrollment	1,520	1,473	1,505	1,394	1,443	1,483	1,492	1,548	1,534	1,533
Westerville South High School (1960)										
Square feet	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583	254,583
Capacity (students)	1,742	1,698	1,698	1,698	1,676	1,655	1,655	1,428	1,414	1,415
Enrollment	1,511	1,565	1,502	1,559	1,535	1,535	1,521	1,519	1,481	1,478
Early Learning Center										
Square feet	55,228	55,228	55,228	55,228	55,228	55,228	55,228	8,320	8,320	N/A
Enrollment	199	257	263	241	151	159	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	Sold	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	2,243	1,500	1,500	1,500
Transportation (1954)										
Square feet	15,713	15,713	15,713	15,713	15,713	15,713	15,713	8,400	8,400	8,400
Vine Street (1922)										
Square feet	Sold	Sold	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

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>3rd Grade Achievement Tests:</b>										
Reading	87%	86%	86%	90%	88%	91%	92%	88%	N/A	N/A
Math	89%	88%	84%	92%	90%	89%	89%	80%	77%	81%
<b>4th Grade Proficiency/Achievement Tests:</b>										
Writing	87%	90%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	91%	89%	87%	91%	92%	94%	92%	76%	N/A	N/A
Mathematics	81%	88%	86%	85%	91%	88%	85%	75%	77%	80%
<b>5th Grade Achievement Tests</b>										
Reading	82%	86%	85%	83%	88%	89%	82%	85%	N/A	N/A
Mathematics	67%	75%	80%	79%	82%	86%	78%	76%	74%	69%
Science	74%	82%	82%	82%	82%	81%	78%	75%	77%	76%
Social Studies	73%	77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>6th Grade Proficiency/Achievement Tests:</b>										
Reading	86%	86%	91%	91%	90%	89%	91%	86%	N/A	N/A
Mathematics	83%	82%	84%	85%	86%	85%	90%	73%	60%	66%
<b>7th Grade Achievement Tests:</b>										
Reading	84%	86%	86%	84%	87%	88%	92%	74%	N/A	N/A
Mathematics	79%	86%	81%	87%	85%	86%	85%	78%	66%	69%
Writing	87%	85%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>8th Grade Achievement Tests:</b>										
Reading	88%	83%	88%	90%	91%	92%	92%	84%	N/A	N/A
Mathematics	82%	84%	83%	82%	89%	87%	89%	75%	64%	71%
Science	70%	71%	75%	77%	84%	80%	80%	82%	76%	73%
Social Studies	68%	65%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>10th Grade Ohio Graduation Test:</b>										
Writing	93%	95%	92%	94%	93%	91%	93%	93%	N/A	N/A
Reading	92%	91%	92%	93%	93%	93%	96%	93%	N/A	N/A
Mathematics	89%	90%	91%	92%	91%	91%	90%	90%	N/A	N/A
Social Studies	91%	90%	93%	91%	91%	90%	90%	91%	N/A	N/A
Science	85%	85%	83%	85%	87%	87%	88%	86%	N/A	N/A
<b>11th Grade Ohio Graduation Test:</b>										
Writing	N/A	N/A	N/A	N/A	97%	96%	96%	97%	96%	N/A
Reading	N/A	N/A	N/A	N/A	97%	97%	97%	98%	97%	N/A
Mathematics	N/A	N/A	N/A	N/A	96%	95%	95%	96%	95%	N/A
Social Studies	N/A	N/A	N/A	N/A	95%	95%	95%	96%	96%	N/A
Science	N/A	N/A	N/A	N/A	93%	93%	92%	94%	92%	N/A

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

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>ACT Scores (Averages)</b>										
Westerville	23.0	22.4	23.0	22.1	22.5	23.0	22.5	22.9	22.8	22.8
National	21.1	21.1	21.0	21.1	21.1	20.9	21.0	21.0	20.8	21.0
<b>SAT Scores (Averages)</b>										
Westerville	544	525	541	564	546	557	567	544	558	591
Verbal - Critical Reading	569	551	531	557	553	574	576	558	570	591
National	500	499	500	497	496	496	497	495	494	533
Verbal - Critical Reading	514	514	515	514	514	514	513	511	508	527
Mathematics										
National Merit Scholars (Percent of Senior Class)	1.50	1.86	0.94	1.49	1.54	1.98	1.07	1.36	0.87	1.40
<b>ODE Per Pupil Costs</b>										
Westerville	\$9,874	\$10,426	\$10,067	\$10,891	\$10,720	\$9,670	\$8,438	\$8,837	\$8,844	\$9,021
State Avg.	\$9,939	\$10,184	\$10,512	\$10,571	\$10,507	\$10,149	\$9,189	\$9,228	\$8,711	\$9,150
<b>Cost to Educate Graduate</b>										
Westerville	\$98,815	\$103,435	\$107,813	\$112,369	\$116,570	\$119,345	\$120,383	\$121,524	\$122,297	\$122,988
State Avg.	\$101,948	\$106,848	\$111,421	\$115,760	\$119,625	\$122,717	\$124,304	\$125,459	\$125,735	\$126,110
<b>Average Teacher Salary</b>										
Westerville	\$63,000	\$63,995	\$65,679	\$60,681	\$61,194	\$59,612	\$63,580	\$62,790	\$64,921	\$65,799
<b>Teacher Experience</b>										
% of Teachers with 0-4 Years	21.7	14.7	18.7	16.7	24.4	23.04	25.46	26.11	29.76	25.68
% of Teachers with 5-9 Years	22.9	19.6	20.6	24.6	19.9	20.74	19.50	17.60	16.87	19.59
% of Teachers with 10+ Years	55.3	65.7	60.7	58.7	55.7	56.21	55.04	56.18	53.18	54.64
<b>Percentage of Teachers with a Master's Degree or Higher</b>										
Westerville	74.1	72.0	71.7	71.0	74.2	66.6	62.8	62.76	72.09	73.94
<b>Percentage of Students on Free/Reduced Lunch</b>										
Westerville	22.0	25.2	26.4	28.3	30.7	32.2	33.5	35.5	33.8	34.4

Source: School District Student Records and Ohio Department of Education

N/A = Not Available

**Westerville City School District**

**Westerville, Ohio**



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

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

**LAURA HENDRICKS, CPA, INTERIM TREASURER**

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

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**WESTERVILLE CITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
<b>Child Nutrition Cluster:</b>			
(C) (D) School Breakfast Program	10.553	2017	\$ 879,510
(C) (D) National School Lunch Program	10.555	2017	2,320,594
(D) (E) National School Lunch Program - Food Donation	10.555	2017	387,377
<b>Total National School Lunch Program</b>			<b>2,707,971</b>
(C) (D) Summer Food Service Program for Children	10.559	2017	44,036
<b>Total Child Nutrition Cluster</b>			<b>3,631,517</b>
State Administrative Expenses for Child Nutrition	10.560	2017	6,694
<b>Total U.S. Department of Agriculture</b>			<b>3,638,211</b>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies	84.010	2015	59,633
Title I Grants to Local Educational Agencies	84.010	2016	457,969
Title I Grants to Local Educational Agencies	84.010	2017	1,701,909
<b>Total Title I Grants to Local Educational Agencies</b>			<b>2,219,511</b>
<b>Special Education Cluster</b>			
(F) Special Education_Grants to States	84.027	2015	25,307
(F) Special Education_Grants to States	84.027	2016	530,457
(F) Special Education_Grants to States	84.027	2017	2,046,668
<b>Total Special Education_Grants to States</b>			<b>2,602,432</b>
(F) Special Education_Preschool Grants	84.173	2016	3,835
(F) Special Education_Preschool Grants	84.173	2017	28,609
<b>Total Special Education_Preschool Grants</b>			<b>32,444</b>
<b>Total Special Education Cluster</b>			<b>2,634,876</b>
Career and Technical Education - Basic Grants to States	84.048	2016	36,302
Javits Gifted and Talented Students Education Grant Program	84.206	2016	998
Javits Gifted and Talented Students Education Grant Program	84.206	2017	621
<b>Total Javits Gifted and Talented Students Education Grant Program</b>			<b>1,619</b>
English Language Acquisition State Grants	84.365	2016	29,439
English Language Acquisition State Grants	84.365	2017	225,843
<b>Total English Language Acquisition State Grants</b>			<b>255,282</b>
Improving Teacher Quality State Grants	84.367	2015	12,404
Improving Teacher Quality State Grants	84.367	2016	54,287
Improving Teacher Quality State Grants	84.367	2017	169,028
<b>Total Improving Teacher Quality State Grants</b>			<b>235,719</b>
<b>Total U.S. Department of Education</b>			<b>5,383,309</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF JOB AND FAMILY SERVICES</b>			
Refugee and Entrant Assistance_Discretionary Grants	93.576	2016	4,822
Refugee and Entrant Assistance_Discretionary Grants	93.576	2017	17,410
<b>Total Refugee and Entrant Assistance_Discretionary Grants</b>			<b>22,232</b>
<b>Total U.S. Department of Health and Human Services</b>			<b>22,232</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 9,043,752</b>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) OAKS did not assign pass-through numbers for fiscal year 2017.
- (B) This schedule includes the federal award activity of the Westerville City School District under programs of the federal government for the fiscal year ended June 30, 2017 and is prepared in accordance with the cash basis of accounting. 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 Westerville City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Westerville City School District.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) Included as part of "Child Nutrition Cluster" in determining major programs.
- (E) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (F) Included as part of "Special Education Cluster" when determining major programs.
- (G) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

**Independent Auditor's Report 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, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Westerville City School District's basic financial statements and have issued our report thereon dated December 18, 2017.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Westerville City School 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 Westerville City School 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 Westerville City School 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.

Board of Education  
Westerville City School District

***Compliance and Other Matters***

As part of reasonably assuring whether the Westerville City School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 Westerville City School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Westerville City School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

Julian & Grube, Inc.  
December 18, 2017



## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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### **Independent Auditor's Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards 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 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 fiscal year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Westerville City School District's major federal program.

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

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

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

Our responsibility is to opine on the Westerville City School District's compliance for the Westerville City School 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 Westerville City School 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 Westerville City School District's major program. However, our audit does not provide a legal determination of the Westerville City School 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 fiscal year ended June 30, 2017.

Board of Education  
Westerville City School District

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

The Westerville City School 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 Westerville City School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Westerville City School District's internal control over compliance.

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Westerville City School District as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Westerville City School District's basic financial statements. We issued our unmodified report thereon dated December 18, 2017. We conducted our audit to opine on the Westerville City School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
December 18, 2017

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

**SCHEDULE OF FINDINGS  
UNIFORM GUIDANCE 2 CFR § 200.515  
JUNE 30, 2017**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	Title I Grants to Local Educational Agencies (CFDA #84.010)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR § 200.511(b)  
JUNE 30, 2017**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid</b>
2014-002	2014	<u>Illegal Expenditure - Finding for Recovery (FFR) - Overpayment of Sick Leave Compensation</u>	No	The FFR is not fully repaid nor has an agreement been entered into to repay the FFR.





# 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  
FEBRUARY 22, 2018**