

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2019

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY
JUNE 30, 2019**

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Nutrition Cluster:			
Cash Assistance:			
School Breakfast Program	10.553	N/A	\$ 172,045
National School Lunch Program	10.555	N/A	594,537
Non-Cash Assistance:			
National School Lunch Program	10.555	N/A	126,775
Total U.S. Department of Agriculture and Nutrition Cluster			<u>893,357</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	132,121
Title I Grants to Local Educational Agencies	84.010A	N/A	<u>757,856</u>
Total Title I Grants to Local Educational Agencies			<u>889,977</u>
Special Education Cluster:			
Special Education Grants to States	84.027	N/A	88,043
Special Education Grants to States	84.027A	N/A	<u>860,389</u>
Total Special Education Grants to States			<u>948,432</u>
Special Education Preschool Grants	84.173	N/A	18,433
Special Education Preschool Grants	84.173A	N/A	<u>17,778</u>
Total Special Education Preschool Grants			<u>36,211</u>
Total Special Education Cluster			<u>984,643</u>
English Language Acquisition State Grants	84.365	N/A	11,205
English Language Acquisition State Grants	84.365B	N/A	<u>10,952</u>
Total English Language Acquisition Grants			<u>22,157</u>
Improving Teacher Quality State Grants	84.367	N/A	16,774
Improving Teacher Quality State Grants	84.367A	N/A	<u>130,260</u>
Total Improving Teacher Quality State Grants			<u>147,034</u>
Student Support and Academic Enrichment Program	84.424A	N/A	<u>73,588</u>
Total U.S. Department of Education			<u>2,117,399</u>
Total Expenditures of Federal Awards			<u>\$ 3,010,756</u>

The accompanying notes are an integral part of this schedule.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Canal Winchester Local School District (the District) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Canal Winchester Local School District, Franklin County, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

December 20, 2019



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

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

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited Canal Winchester Local School District’s (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of Canal Winchester Local School District’s major federal programs for the year ended June 30, 2019. The *Summary of Auditor’s Results* in the accompanying schedule of findings identifies the District’s major federal programs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Each

Opinion on each Major Federal Program

In our opinion, Canal Winchester Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance⁴

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Canal Winchester Local School District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2019. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State

Columbus, Ohio

December 20, 2019

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**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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Canal Winchester

LOCAL SCHOOLS

Canal Winchester, Ohio



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Prepared by
Nick Roberts, Treasurer

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**CANAL WINCHESTER LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2019

**PREPARED BY
NICK ROBERTS, TREASURER**

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INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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December 20, 2019

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

As the Treasurer of the Canal Winchester Local School District (the "District"), I am pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. The CAFR for the fiscal year ended June 30, 2019 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

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

The basic financial statements of the District for the fiscal year ended June 30, 2019, were audited by Ohio Auditor of State whose opinion thereon is included at the beginning of the Financial Section of this report.

In addition to the financial audit a single audit was performed as required by the Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance"). The single audit report is not included in the CAFR.

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

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

PROFILE OF THE DISTRICT

The District originated in the early 1800's, built its first building in 1862, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is in a suburb of Columbus, the state capital, and operates one high school, one middle school, and two elementary schools as of June 30, 2019. The District enrolled approximately 3,818 students during the 2018-19 school year.

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

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

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

Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

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

Budgetary Controls:

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

Instructional Organization:

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

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

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

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

In March 2000, District residents approved a bond issue that funded a significant renovation to the District's then historic Middle School, phase III of the high school, a stand-alone gymnasium, and another elementary school – Winchester Trail Elementary. These construction projects increased our high school capacity to 1,025 and created a mirror image school of Indian Trail in Winchester Trail to house up to 525 students in grades 3-4. Additionally, this bond allowed new residents to immediately pay at the same bond millage as current residents. This no new tax approach was available to only fewer than 10% of the highest growing districts in Ohio.

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

In May 2017, the Ohio Facilities Construction Commission officially approved funding for the renovation and addition project to the high school. The project will add additional space to the high school and renovate the 1976 and 1993 sections of the building, providing the District a long-term solution for the high school. Thanks to the strong fiscal management of the District, we are able to complete this project without asking taxpayers for additional funds. The completion date is set for the 2020-2021 school year.

Our District facilities support wireless communication, broadband internet, a strong arts program, solid “core” academic programs, vital latchkey partnerships with area churches and a very strong partnership with the Canal Winchester Joint Recreational District.

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

STUDENT ACHIEVEMENT

Scholastic Performance: Scholastic Performance: For the 2018-19 school year, Ohio administered its State accountability assessment in various subject areas from grade 3 through high school. The District's overall performance provided a variety of outcomes that will serve as our benchmark in which future progress under Ohio's accountability system will be judged. Overall, Canal Winchester Local Schools received a C as its grade with the following component grades: one A (Graduation Rate), one B (Gap Closing), one C (K-3 Literacy) and three D's (Achievement, Progress, and Prepared for Success).

In addition, Canal Winchester Local Schools utilized the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) educational resource in reading and math for grades K-8. This locally provided resource allows us another way to view the impact of our instructional practices beyond Ohio's every changing assessment landscape. Overall, according to NWEA's Insights Report, our achievement and growth are slightly above the national average for the 2018-19 school year and our three-year national growth trend for grades K-3 indicates reading is consistently above average while math is average.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

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

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

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

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

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

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

Middle school and high school courses: The high school added an engineering course to our STEM pathway, along with a Risk Management program to our Business pathway. Our focus has been on developing pathways for students to help give them a head start on a career pathway or provide them with a certificate after the successful completion of courses to give them an advantage when applying for jobs. We have 5 pathways for high school students: Pre-Engineering, Medical, Pharmacy Technician, Business, Insurance & Risk Management, and CISCO Networking. Each course is designed to give our students a realistic experience in each area to make a better-informed decision on their next step after high school. In addition, many of these courses are dual credit, meaning your student could receive both high school AND college credit for most of these courses. The pathways start at the middle school with classes in the medical pathway, Robotics/Engineering, and Computer Sciences. Other college courses include English 1100 and English 2367. Canal Winchester High School teachers teach these courses.

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

Integrated Technology Instruction: The District recognizes that technology has become an integral part of education. In addition, technology is a tool to facilitate the 21st Century skills for college and career readiness for all students. A comprehensive district plan embeds technology use into communication, instruction, intervention, data reporting and data analysis. Likewise, the District created a Help Desk making technical services and request for and from teachers more efficient. The District continues to improve communications with parents by providing to students and parents' on-line access to student's grades. Because of the web-based nature of this tool, teachers are also able to post class assignments, recorded lessons and class notes as well. Parents are invited to sign up for the district level and building level email blasts which communicate important district or building level news or event reminders.

Summer Intervention

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

Comprehensive Continuous Improvement Plan:

The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District including: Improving Student Achievement and providing high quality professional development to our teaching staff. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title I (School Improvement), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), and Part B-IDEA (Special Education). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2018.

Special Education: The District's Special Education Program provides a full continuum of services from Preschool through 12th grade based on the individual needs of its approximate 550 students on Individualized Education Programs (IEPs). Services are provided in all four buildings as well as in programs outside of the District. These services range from inclusion support to homebound/hospitalization services. Specialized, low-incidence classrooms include those for students with multiple disabilities, emotional disturbance, and autism, although categories of eligibility do not dictate placement in these classrooms. The District supports students in these rooms through smaller class sizes (based on state requirements), intensive related services support, individualized programming, and paraprofessionals. Canal Winchester currently has 8 low-incidence classrooms. In addition, some of our buildings also have cross-categorical classrooms that serve as resource rooms for students. Students in these classrooms receive a range of services from content area instruction to behavioral support. The District also offers inclusion support in all buildings, where Intervention Specialists work alongside General Education teachers to provide instruction in the general education curriculum without pulling students from the classroom. Canal Winchester has 38 teachers providing preschool, cross-categorical resource room, and inclusion support in the general education setting.

Canal Winchester's Special Education program is supported by a well-experienced related services staff consisting of 3.4 school psychologists, 4.5 speech therapists, .5 adaptive physical education teacher, 1 physical therapist, 2 occupational therapists, 1 behavior specialist, and 1 transition coordinator. Some of these services and additional services are contracted with other agencies as well. Canal Winchester partners with Nationwide Children's Hospital, through funding from the Franklin County ADAMH Board, to receive the services of 2 fulltime School Based Clinicians to help support students' mental health needs. All of these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by one special education administrator who oversees all the programs at the district level. Three district representatives also help cover meetings and oversee caseloads and department compliance. One special education secretary maintains special education records and enters critical information into the Education Management Information System (EMIS).

ECONOMIC CONDITION AND OUTLOOK

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

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

As can be seen in the financial statements, voters have routinely supported the District in its efforts to keep pace with increased student population. The District has received increased state funding during the last several years which has allowed the District to not request new local taxes since 2009. The District renewed the \$5.83 million emergency levy in May 2019 that was originally passed in 2009 and renewed in 2014 to help sustain financial stability.

In February 2018, the Board reached a three-year agreement with the Canal Winchester Education Association, which enabled the District to operate for the 2018-19, 2019-20 and 2020-21 school year with a 2.5% increase in the salary schedule each year. In May 2018, the Board reached a three-year agreement with the Ohio Association of Public School Employees to operate for the 2018-19, 2019-20 and 2020-21 school year with a 2.5% increase in the salary schedule each year.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. This category of "set-asides" or reserve is pertinent to the District: the capital acquisition set-aside. The set-asides for the capital acquisition are required by State statute. For fiscal year 2019, the District had offsets and qualifying disbursements, which well exceeded the required set-asides. Given the District's current and anticipated expenditure patterns and levels, the board expects to exceed these requirements for the foreseeable future.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal years ended June 30, 2012 through June 30, 2018. The Certificate of Achievement is a prestigious national award that recognizes conformance with the, highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. As such, the CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

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

Respectfully submitted,

Nick Roberts

Nick Roberts
Treasurer

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

PRINCIPAL OFFICIALS
JUNE 30, 2019

BOARD OF EDUCATION

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

SUPERINTENDENT

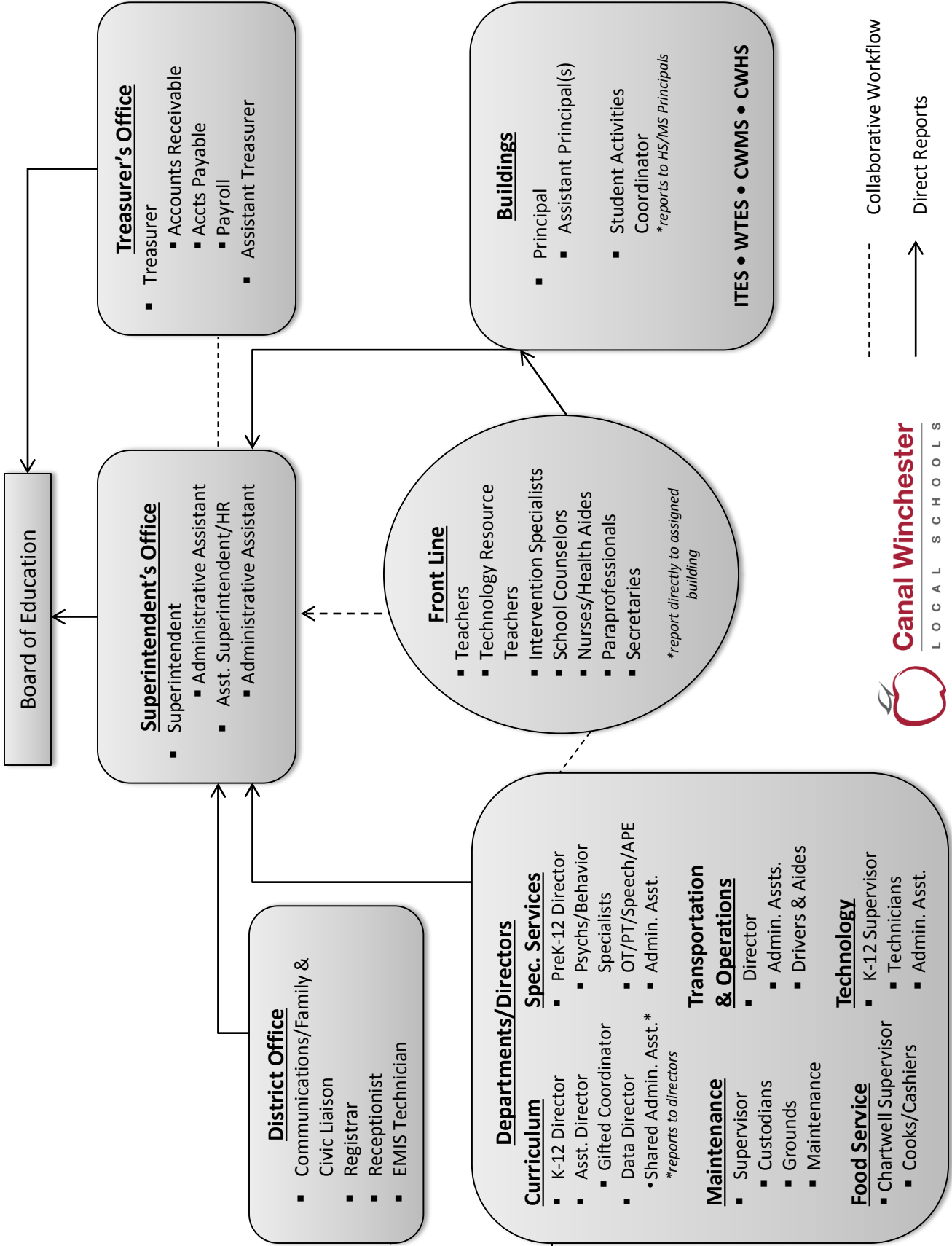
James Sotlar

TREASURER

Nick Roberts

ADMINISTRATIVE STAFF

Kiya Hunt	Assistant Superintendent
Kevin Watson	Assistant Treasurer
Kirk Henderson	High School Principal
Laurie Buchieri	Assistant High School Principal
Greg Lahr	Assistant High School Principal
Kelly Zwyczyk	Middle School Principal
Daniel Senu-Oke	Assistant Middle School Principal
Lori Green	Winchester Trail Elementary Principal
Corey Fries	Assistant Principal at Winchester Trail Elementary
Eric Riddle	Indian Trail Elementary Principal
Lea Cobb	Assistant Principal at Indian Trail Elementary
Cyndi Toledo	Curriculum Director
Deb Finch	Assistant Director of Curriculum & Instruction
Brooke Hippler	Director of Special Education
William Whitlatch	Director of Assessment & Data
John-Paul Hoffman	Technology Coordinator
Pat Durbin	Coordinator of Student Activities
Roger McLoney	Facility Supervisor
Mike Britch	Assistant Maintenance Supervisor
Mike Bruning	Director of Operations and Transportation Coordinator





Government Finance Officers Association

Certificate of
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Presented to

Canal Winchester Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Canal Winchester Local School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Efficient • Effective • Transparent

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 Canal Winchester Local School District, Franklin County, Ohio, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matter

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derives from and relates 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State

Columbus, Ohio

December 20, 2019

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The management's discussion and analysis of Canal Winchester Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2019 are as follows:

- Net position of governmental activities increased \$12,612,126, which represents a significant increase from 2018's net position. This increase is primarily the result of a reduction in the District's net pension and net OPEB liability.
- General revenues accounted for \$47,142,115 in revenue or 81.14% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,960,967 or 18.86% of total governmental activities revenues of \$58,103,082.
- The District had \$45,490,956 in expenses related to governmental activities, \$10,960,967 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$47,142,115 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, debt service fund and classroom facilities fund. The general fund had \$47,612,852 in revenues and \$42,225,618 in expenditures and other financing uses. The fund balance of the general fund increased \$5,387,234 from a balance of \$27,956,896 to \$33,344,130.
- The debt service fund had \$5,660,508 in revenues and other financing sources and \$5,368,367 in expenditures. The fund balance of the debt service fund increased \$292,141 from \$5,066,056 to \$5,358,197.
- The District entered into an agreement with the Ohio Facilities Construction Commission (OFCC) during fiscal year 2017 to participate in the Classroom Facilities Assistance Program (CFAP). The classroom facilities fund is used to account for the construction project. The fund balance in the classroom facilities fund is \$7,611,677 at fiscal year-end.

Using the Financial Report

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

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The District has three major governmental funds: the general fund, debt service fund and classroom facilities fund. The general fund is by far the most significant fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Reporting the District as a Whole

Statement of Net position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2019?" The statement of net position and statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

The District's statement of net position and statement of activities can be found on pages 30 - 31 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 24. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and statement of activities) and governmental funds is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 32 - 38 of this report.

Proprietary Fund

The District maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund activity accounts for self-insurance of the District's medical, dental and pharmacy benefits. The basic proprietary fund financial statements can be found on pages 39 - 41 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 42 and 43. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 45 - 98 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the net pension liability, net OPEB liability/asset and contributions in this report on pages 100 - 115.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2019 and June 30, 2018.

	Net Position	
	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Current assets	\$ 87,012,372	\$ 84,133,877
Net OPEB asset	2,597,685	-
Capital assets, net	<u>74,837,593</u>	<u>68,569,056</u>
Total assets	<u>164,447,650</u>	<u>152,702,933</u>
<u>Deferred outflows of resources</u>	<u>14,875,869</u>	<u>18,279,567</u>
<u>Liabilities</u>		
Current liabilities	6,851,027	5,334,336
Long-term liabilities:		
Due within one year	5,199,053	4,304,307
Due in more than one year:		
Net pension liability	45,047,632	48,047,262
Net OPEB liability	4,685,365	10,819,247
Other amounts	<u>54,437,614</u>	<u>57,644,748</u>
Total liabilities	<u>116,220,691</u>	<u>126,149,900</u>
<u>Deferred inflows of resources</u>	<u>23,618,305</u>	<u>17,960,203</u>
<u>Net Position</u>		
Net investment in capital assets	24,595,824	16,977,899
Restricted	19,432,718	23,867,178
Unrestricted (deficit)	<u>(4,544,019)</u>	<u>(13,972,680)</u>
Total net position	<u>\$ 39,484,523</u>	<u>\$ 26,872,397</u>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2019, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,484,523. The net investment in capital assets at June 30, 2019 was \$24,595,824. A portion of the District's net position, \$19,432,718, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$4,544,019.

Total assets at fiscal year-end include a net OPEB asset reported by the State Teachers Retirement System (STRS). See Note 18 for more detail. STRS did not report a net pension asset in the prior year.

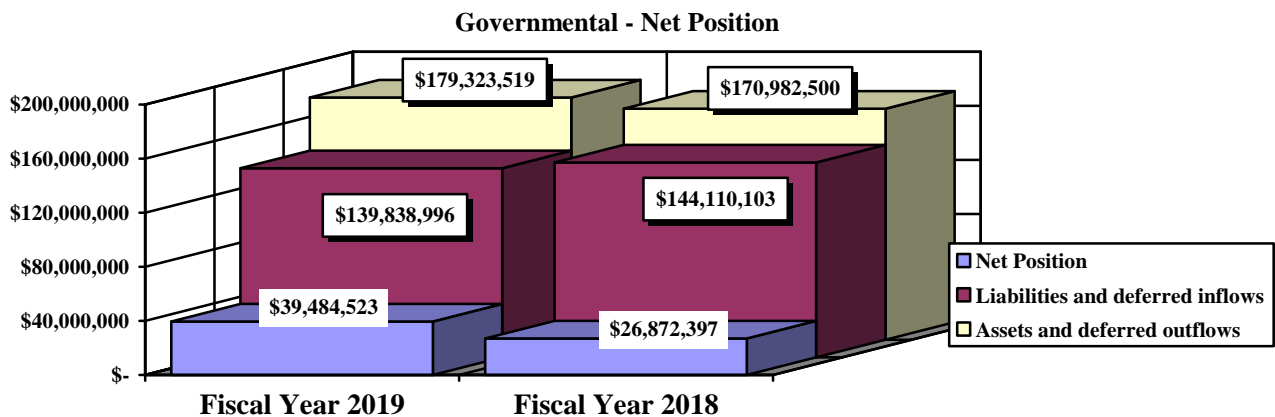
At fiscal year-end, capital assets represented 45.51% of total asset, and increased from the prior year with additions to construction in process related to the OFCC project. Capital assets include land, construction in progress, land improvements, buildings and improvements, and furniture, equipment and vehicles. Capital assets are used to provide services to the students and are not available for future spending.

Deferred outflows related to pension decreased primarily due to changes in assumptions by STRS. See Note 17 for more detail.

Current liabilities increased from contracts payable and retainage payable related to the OFCC project. No new debt was issued during fiscal year 2019, which contributed to the decrease in long-term liabilities (excluding net pension and net OPEB).

Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 18 for more detail.

The chart below shows the District's governmental activities assets and deferred outflows, liabilities and deferred inflows and net position at June 30, 2019 and 2018.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The table below shows the changes in net position for governmental activities between 2019 and 2018.

Change in Net Position

	Governmental Activities	
	2019	2018
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 2,578,436	\$ 2,692,347
Operating grants and contributions	8,109,047	7,296,956
Capital grants and contributions	273,484	130,370
General revenues:		
Property taxes	21,302,716	22,294,252
Income taxes	5,070,959	4,799,275
Payments in lieu of taxes	750,197	501,301
Grants and entitlements - not restricted	18,705,658	18,153,228
Investment earnings	723,666	419,386
Change in fair value of investments	352,846	(275,366)
Miscellaneous	236,073	118,311
Total revenues	58,103,082	56,130,060

In the area of program revenues, operating grants and contributions increased, which is primarily attributable to an increase in special education funding received during fiscal year 2019. Charges for services and sales program revenue decreased \$113,911 as a result of decreased tuition revenue from open enrollment. Capital grants and contributions increased during fiscal year 2019, which represents investment earnings and contributions and donations restricted for capital improvements.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and unrestricted grants and entitlements. These revenue sources represent 77.59% of total governmental revenue. Real estate property is reappraised every six years. Unrestricted grants and entitlements increased as a result of an increase in state foundation, specifically in opportunity grant and targeted assistance funding.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

	Governmental Activities	
	2019	2018
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 15,809,056	\$ 9,108,175
Special	6,828,398	4,005,762
Vocational	899,017	544,641
Support services:		
Pupil	2,375,375	1,383,677
Instructional staff	664,202	436,533
Board of education	100,763	70,566
Administration	3,589,014	1,697,216
Fiscal	1,420,516	1,164,540
Operations and maintenance	3,833,032	2,466,491
Pupil transportation	3,394,242	1,656,752
Central	854,161	520,722
Operation of non-instructional services		
Other non-instructional services	233	233,510
Food service	1,649,686	1,532,940
Extracurricular activities	1,060,949	301,365
Interest and fiscal charges	3,012,312	2,974,377
Total expenses	45,490,956	28,097,267
Changes in net position	12,612,126	28,032,793
Net position (deficit) at beginning of year	26,872,397	(1,160,396)
Net position (deficit) at end of year	\$ 39,484,523	\$ 26,872,397

Governmental Activities

Net position of the District's governmental activities increased \$12,612,126. This increase is primarily attributable to the reduction in the net pension and net OPEB liability of \$11,731,197.

Overall, expenses of the governmental activities increased \$17,393,689 or 61.91%. This increase is primarily the result of STRS indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2018. These benefit changes caused a decrease to the net pension liability reported at June 30, 2018 and the subsequent expenses reported for fiscal year 2018.

On an accrual basis, the District reported \$4,966,510 and (\$14,164,977) in pension expense for fiscal years 2019 and 2018, respectively. In addition, the District reported (\$5,315,291) and (\$1,538,160) in OPEB expense for fiscal year 2019 and 2018, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2018 to fiscal year 2019 was \$15,354,356. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The District's total expenses for fiscal year 2019 are more comparable to total fiscal year 2017 expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Total governmental expenses of \$45,490,956 were offset by program revenues of \$10,960,967 and general revenues of \$47,142,115. Program revenues supported 24.09% of the total governmental expenses.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$23,536,471 or 51.74% of total governmental expenses for fiscal year 2019.

The statement of activities shows the cost of program services and the charges for services and sales and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

Governmental Activities

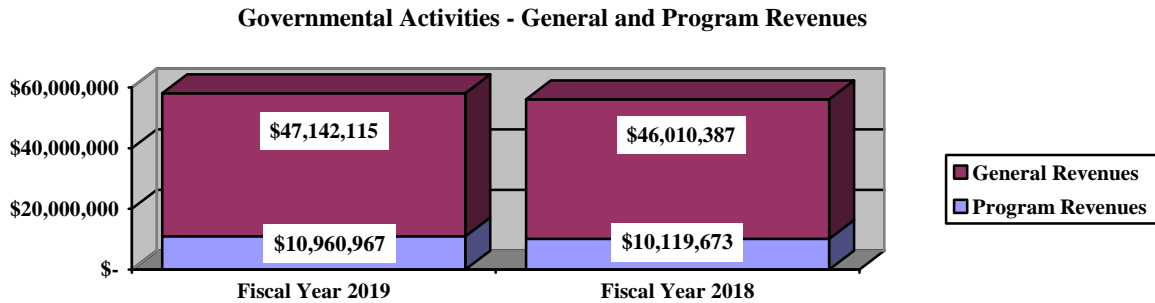
	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>	Total Cost of Services <u>2018</u>	Net Cost of Services <u>2018</u>
Program expenses:				
Instruction:				
Regular	\$ 15,809,056	\$ 14,281,388	\$ 9,108,175	\$ 7,855,323
Special	6,828,398	2,061,536	4,005,762	(460,096)
Vocational	899,017	543,448	544,641	210,534
Support services:				
Pupil	2,375,375	2,099,639	1,383,677	1,165,653
Instructional staff	664,202	458,936	436,533	232,051
Board of Education	100,763	100,763	70,566	70,566
Administration	3,589,014	3,424,080	1,697,216	1,541,750
Fiscal	1,420,516	1,383,743	1,164,540	1,164,540
Operations and maintenance	3,833,032	3,766,301	2,466,491	2,401,308
Pupil transportation	3,394,242	2,140,350	1,656,752	388,981
Central	854,161	854,161	520,722	520,722
Operation of non-instructional services				
Other non-instructional services	233	233	233,510	233,510
Food service operations	1,649,686	6,657	1,532,940	3,125
Extracurricular activities	1,060,949	396,442	301,365	(324,750)
Interest and fiscal charges	<u>3,012,312</u>	<u>3,012,312</u>	<u>2,974,377</u>	<u>2,974,377</u>
 Total expenses	 <u>\$ 45,490,956</u>	 <u>\$ 34,529,989</u>	 <u>\$ 28,097,267</u>	 <u>\$ 17,977,594</u>

The dependence upon tax revenues during fiscal year 2019 for governmental activities is apparent, as 71.75% of fiscal year 2019 instructional activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants and entitlements from the State, are by far the primary support for District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

The graph below presents the District's governmental activities revenue for fiscal years 2019 and 2018.



The District's Governmental Funds

The District's governmental funds (as presented on the balance sheet on pages 32 - 33) reported a combined fund balance of \$51,791,622, which is above last fiscal year's total of \$44,919,948. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2019 and 2018.

	Fund Balance <u>June 30, 2019</u>	Fund Balance <u>June 30, 2018</u>	<u>Change</u>
General	\$ 33,344,130	\$ 27,956,896	\$ 5,387,234
Debt Service	5,358,197	5,066,056	292,141
Classroom Facilities	7,611,677	7,188,528	423,149
Other Governmental	<u>5,477,618</u>	<u>4,708,468</u>	<u>769,150</u>
Total	<u>\$ 51,791,622</u>	<u>\$ 44,919,948</u>	<u>\$ 6,871,674</u>

General Fund

The District's general fund balance increased \$5,387,234 during fiscal year 2019. The following table assists in illustrating the revenues of the general fund.

	<u>2019 Amount</u>	<u>2018 Amount</u>	<u>Percentage Change</u>
Revenues			
Taxes	\$ 21,406,008	\$ 22,041,145	(2.88) %
Intergovernmental	22,675,457	21,697,375	4.51 %
Other revenues	<u>3,531,387</u>	<u>2,423,602</u>	45.71 %
Total	<u>\$ 47,612,852</u>	<u>\$ 46,162,122</u>	3.14 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

General fund tax revenues decreased as a result of a decrease in the amount of property and income taxes collected at June 30, 2019, and the fluctuations in the tax advance available at fiscal year-end, as compared to June 30, 2018, which resulted in an decrease in property tax revenue of 5.25%. The District received more in State foundation funding, which resulted in an increase in intergovernmental revenue of 4.51%. Other revenues increased as the District's investment earnings increased and the change in fair value of investments went from a negative to a positive.

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

	<u>2019</u> <u>Amount</u>	<u>2018</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
Instruction	\$ 23,318,061	\$ 23,863,713	(2.29) %
Support services	15,511,756	14,571,970	6.45 %
Operation of non-instructional	233	1,351	(82.75) %
Extracurricular activities	830,646	746,716	11.24 %
Capital outlay	-	57,207	(100.00) %
Debt service	<u>111,652</u>	<u>143,137</u>	(22.00) %
Total	<u>\$ 39,772,348</u>	<u>\$ 39,384,094</u>	0.99 %

Instruction expenditures were comparable to prior year, with a slight decrease in fiscal year 2019. The expenditures in support services and extracurricular activities increased and was primarily related to costs associated with annual increases in salaries, wages and benefits. Operation of non-instructional expenditures related to services provided to other school districts decreased from the prior year. Capital outlay expenditures were a result of the new capital lease agreement for copiers entered into during fiscal year 2018. Debt service expenditures decreased due to the District paying off a portion of capital leases.

Debt Service Fund

The debt service fund had \$5,660,508 in revenues and other financing sources and \$5,368,367 in expenditures. The fund balance of the debt service fund increased \$292,141 from \$5,066,056 to \$5,358,197. The debt service fund received transfers in of \$278,270 during fiscal year 2019 from the general fund to retire debt obligations.

Classroom Facilities Fund

The classroom facilities fund was established during fiscal year 2017 to account for the District's CFAP construction project with the OFCC. The District drew down as revenue \$6,450,833 in state funds during fiscal year 2019, and the remaining state share of the project has been reported as a receivable at June 30, 2019. The District will draw down on the state funds over the duration of the project as the money is spent on the construction project.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

General Fund Budgeting Highlights

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

During the course of fiscal year 2019, the District amended its general fund budget several times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. For the general fund, original budgeted revenues and other financing sources were \$45,649,577. Actual revenues and other financing sources of \$47,504,442 were \$4,442 higher than final budgeted revenues of \$47,500,000.

General fund original appropriations (appropriated expenditures plus other financing uses) were \$45,184,495 and final appropriations were \$55,184,495. The actual budget basis expenditures and other financing uses for fiscal year 2019 totaled \$42,439,158, which was \$12,745,337 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

The District had \$74,837,593 invested in land, construction in progress, land improvements, buildings and improvements, and furniture, equipment and vehicles. The following table shows fiscal year 2019 balances compared to 2018:

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

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 3,985,623	\$ 3,943,348
Land improvements	247,198	271,221
Buildings and improvements	60,591,228	61,348,298
Furniture, equipment and vehicles	1,918,831	1,981,383
Construction in progress	<u>8,094,713</u>	<u>1,024,806</u>
Total	<u>\$ 74,837,593</u>	<u>\$ 68,569,056</u>

The District had additions of \$7,392,097 and depreciation expense of \$1,123,560 in fiscal year 2019.

See Note 11 to the basic financial statements for detail on the District's capital assets.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED**

Debt Administration

At June 30, 2019 the District had \$52,966,126 in general obligation bonds, \$633,713 in a lease-purchase agreement, \$1,300,000 in energy conservation notes, \$41,909 in capital lease obligations, and \$515,000 in school bus notes outstanding. Of the total outstanding debt, \$4,964,490 is due within one year and \$50,492,258 is due in greater than one year. The following table summarizes the bonds, notes and lease obligations outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2019</u>	Governmental Activities <u>2018</u>
General obligation bonds	\$ 52,966,126	\$ 54,907,115
Energy conservation notes	1,300,000	1,440,000
School bus notes	515,000	595,000
Capital lease obligation	41,909	52,051
Lease-purchase agreement	<u>633,713</u>	<u>699,196</u>
Total	<u>\$ 55,456,748</u>	<u>\$ 57,693,362</u>

See Note 14 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

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

The two-year state budget has allowed for additional funding for the District. However, the funding formula capped the amount of money that the District is eligible to receive. This keeps the District from receiving additional state funding for student growth until the state formula calculation reaches and exceeds the capped amount.

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

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

Contacting the District's Financial Management

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

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**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 43,987,625
Investments	4,904,484
Receivables:	
Property taxes.	23,272,356
Income taxes	2,191,108
Payment in lieu of taxes.	805,690
Intergovernmental.	11,637,469
Accrued interest.	128,349
Prepayments	46,388
Materials and supplies inventory.	6,866
Inventory held for resale.	32,037
Net OPEB asset	2,597,685
Capital assets:	
Nondepreciable capital assets	12,080,336
Depreciable capital assets, net.	62,757,257
Capital assets, net	<u>74,837,593</u>
Total assets.	<u>164,447,650</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	935,745
Pension.	13,144,656
OPEB	795,468
Total deferred outflows of resources.	<u>14,875,869</u>
Liabilities:	
Accounts payable.	290,376
Contracts payable.	1,603,240
Retainage payable	181,180
Accrued wages and benefits payable	3,354,868
Intergovernmental payable	116,507
Pension and postemployment benefits payable.	671,418
Accrued interest payable	101,663
Claims payable.	531,600
Matured interest payable.	175
Long-term liabilities:	
Due within one year.	5,199,053
Due in more than one year:	
Net pension liability (See Note 17).	45,047,632
Net OPEB liability (See Note 18)	4,685,365
Other amounts due in more than one year	54,437,614
Total liabilities.	<u>116,220,691</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	15,552,220
Payment in lieu of taxes levied for the next fiscal year	805,690
Pension.	2,760,243
OPEB	4,500,152
Total deferred inflows of resources	<u>23,618,305</u>
Net position:	
Net investment in capital assets	24,595,824
Restricted for:	
Capital projects	17,962,730
Classroom facilities maintenance	663,952
Locally funded programs	26,603
State funded programs.	3,197
Federally funded programs	3,670
Food service operations	526,969
Student activities	245,597
Unrestricted (deficit)	<u>(4,544,019)</u>
Total net position.	<u>\$ 39,484,523</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities:					
Instruction:					
Regular	\$ 15,809,056	\$ 856,118	\$ 398,066	\$ 273,484	\$ (14,281,388)
Special	6,828,398	274,454	4,492,408	-	(2,061,536)
Vocational	899,017	-	355,569	-	(543,448)
Support services:					
Pupil.	2,375,375	-	275,736	-	(2,099,639)
Instructional staff	664,202	49,072	156,194	-	(458,936)
Board of education	100,763	-	-	-	(100,763)
Administration.	3,589,014	-	164,934	-	(3,424,080)
Fiscal.	1,420,516	-	36,773	-	(1,383,743)
Operations and maintenance	3,833,032	48,396	18,335	-	(3,766,301)
Pupil transportation	3,394,242	294	1,253,598	-	(2,140,350)
Central	854,161	-	-	-	(854,161)
Operation of non-instructional services:					
Other non-instructional services	233	-	-	-	(233)
Food service operations.	1,649,686	725,520	917,509	-	(6,657)
Extracurricular activities	1,060,949	624,582	39,925	-	(396,442)
Interest and fiscal charges	3,012,312	-	-	-	(3,012,312)
Total governmental activities	\$ 45,490,956	\$ 2,578,436	\$ 8,109,047	\$ 273,484	(34,529,989)
General revenues:					
Property taxes levied for:					
General purposes					16,303,751
Classroom facilities.					213,109
Debt service					4,785,856
Payments in lieu of taxes.					750,197
Income taxes levied for:					
General purposes					5,070,959
Grants and entitlements not restricted to specific programs					
Investment earnings					18,705,658
Change in fair value of investments					723,666
Miscellaneous					352,846
					236,073
Total general revenues.					47,142,115
Change in net position.					12,612,126
Net position at beginning of fiscal year					26,872,397
Net position at end of fiscal year.					\$ 39,484,523

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 29,875,442	\$ 3,761,125	\$ 3,723,689	\$ 4,263,152	\$ 41,623,408
Investments.	-	-	2,995,659	1,908,825	4,904,484
Receivables:					
Property taxes.	17,777,275	5,261,247	-	233,834	23,272,356
Income taxes.	2,191,108	-	-	-	2,191,108
Payment in lieu of taxes.	805,690	-	-	-	805,690
Accrued interest.	115,855	-	7,631	4,863	128,349
Interfund loans.	96,490	-	-	-	96,490
Intergovernmental.	24,705	-	11,235,751	377,013	11,637,469
Prepayments.	46,388	-	-	-	46,388
Materials and supplies inventory.	-	-	-	6,866	6,866
Inventory held for resale.	-	-	-	32,037	32,037
Total assets.	<u>\$ 50,932,953</u>	<u>\$ 9,022,372</u>	<u>\$ 17,962,730</u>	<u>\$ 6,826,590</u>	<u>\$ 84,744,645</u>
Liabilities:					
Accounts payable.	\$ 90,023	\$ -	\$ -	\$ 200,353	\$ 290,376
Contracts payable.	-	-	1,425,876	177,364	1,603,240
Retainage payable.	-	-	160,888	20,292	181,180
Accrued wages and benefits payable.	3,123,204	-	-	231,664	3,354,868
Compensated absences payable.	9,346	-	-	-	9,346
Pension and postemployment benefits payable.	591,544	-	-	79,874	671,418
Intergovernmental payable.	114,095	-	-	2,412	116,507
Interfund loans payable.	-	-	-	96,490	96,490
Matured interest payable.	-	175	-	-	175
Total liabilities.	<u>3,928,212</u>	<u>175</u>	<u>1,586,764</u>	<u>808,449</u>	<u>6,323,600</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year.	11,883,049	3,513,036	-	156,135	15,552,220
Delinquent property tax revenue not available.	510,095	150,964	-	6,710	667,769
Income tax revenue not available.	408,015	-	-	-	408,015
Payment in lieu of taxes levied for the next fiscal year.	805,690	-	-	-	805,690
Intergovernmental revenue not available.	-	-	8,757,498	373,350	9,130,848
Accrued interest not available.	53,762	-	6,791	4,328	64,881
Total deferred inflows of resources.	<u>13,660,611</u>	<u>3,664,000</u>	<u>8,764,289</u>	<u>540,523</u>	<u>26,629,423</u>

- - Continued

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

BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 6,866	\$ 6,866
Prepays	46,388	-	-	-	46,388
Restricted:					
Debt service	-	5,358,197	-	-	5,358,197
Capital improvements	-	-	7,611,677	-	7,611,677
Classroom facilities maintenance	-	-	-	657,242	657,242
Food service operations	-	-	-	527,275	527,275
Non-public schools	-	-	-	13,354	13,354
Other purposes	-	-	-	26,603	26,603
Student activities	-	-	-	245,597	245,597
Committed:					
Capital improvements	-	-	-	4,353,665	4,353,665
Assigned:					
Student instruction	51,184	-	-	-	51,184
Student and staff support	160,230	-	-	-	160,230
Extracurricular activities	1,761	-	-	-	1,761
Subsequent year appropriations	2,279,495	-	-	-	2,279,495
Unassigned (deficit)	<u>30,805,072</u>	<u>-</u>	<u>-</u>	<u>(352,984)</u>	<u>30,452,088</u>
Total fund balances	<u>33,344,130</u>	<u>5,358,197</u>	<u>7,611,677</u>	<u>5,477,618</u>	<u>51,791,622</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,932,953</u>	<u>\$ 9,022,372</u>	<u>\$ 17,962,730</u>	<u>\$ 6,826,590</u>	<u>\$ 84,744,645</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total governmental fund balances		\$ 51,791,622
<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.		74,837,593
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 667,769	
Income taxes receivable	408,015	
Accrued interest receivable	64,881	
Intergovernmental receivable	9,130,848	
Total		10,271,513
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.		1,832,617
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds.		
Deferred outflows of resources - pension	13,144,656	
Deferred inflows of resources - pension	(2,760,243)	
Net pension liability	(45,047,632)	
Total		(34,663,219)
The net OPEB liability is not due and payable in the current period, therefore, the liability and related deferred inflows/outflows of resources are not reported in governmental funds.		
Deferred outflows of resources - OPEB	795,468	
Deferred inflows of resources - OPEB	(4,500,152)	
Net OPEB asset	2,597,685	
Net OPEB liability	(4,685,365)	
Total		(5,792,364)
Unamortized premiums on bonds issued are not recognized in the funds.		(2,561,792)
Unamortized amounts on refundings are not recognized in the funds.		935,745
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(101,663)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,608,781)	
General obligation bonds	(39,465,000)	
Capital appreciation bonds	(4,875,680)	
Accretion of interest - capital appreciation bonds	(8,625,446)	
Energy conservation notes	(1,300,000)	
Bus purchase notes	(515,000)	
Lease purchase agreement	(633,713)	
Capital lease obligations	(41,909)	
Total		(57,065,529)
Net position of governmental activities		\$ 39,484,523

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 16,380,600	\$ 4,801,384	\$ -	\$ 214,001	\$ 21,395,985
Income taxes	5,025,408	-	-	-	5,025,408
Payment in lieu of taxes	750,197	-	-	-	750,197
Tuition	1,012,854	-	-	-	1,012,854
Transportation fees	294	-	-	-	294
Earnings on investments	700,291	-	146,498	70,383	917,172
Charges for services	-	-	-	725,520	725,520
Extracurricular	313,679	-	-	354,416	668,095
Classroom materials and fees	117,718	-	-	-	117,718
Rental income	48,396	-	-	6,520	54,916
Contributions and donations	10,854	-	-	5,263	16,117
Other local revenues	224,258	-	-	61,083	285,341
Intergovernmental - intermediate	-	-	-	60,000	60,000
Intergovernmental - state	22,120,600	580,854	6,450,833	587,986	29,740,273
Intergovernmental - federal	554,857	-	-	2,915,711	3,470,568
Change in fair value of investments	352,846	-	27,584	18,377	398,807
Total revenues	<u>47,612,852</u>	<u>5,382,238</u>	<u>6,624,915</u>	<u>5,019,260</u>	<u>64,639,265</u>
Expenditures:					
Current:					
Instruction:					
Regular	16,752,231	-	-	430,106	17,182,337
Special	5,619,741	-	-	1,666,112	7,285,853
Vocational	946,089	-	-	-	946,089
Support services:					
Pupil	2,240,494	-	-	284,780	2,525,274
Instructional staff	540,422	-	-	190,186	730,608
Board of education	101,833	-	-	-	101,833
Administration	3,766,732	-	-	161,788	3,928,520
Fiscal	1,324,660	74,398	3,264	45,917	1,448,239
Operations and maintenance	3,362,965	-	-	62,816	3,425,781
Pupil transportation	3,352,742	-	-	233,237	3,585,979
Central	821,908	-	-	48,994	870,902
Operation of non-instructional services:					
Other non-instructional services	233	-	-	-	233
Food service operations	-	-	-	1,636,515	1,636,515
Extracurricular activities	830,646	-	-	276,679	1,107,325
Facilities acquisition and construction	-	-	6,198,502	1,387,980	7,586,482
Debt service:					
Principal retirement	75,625	2,750,000	-	-	2,825,625
Interest and fiscal charges	36,027	1,288,969	-	-	1,324,996
Accretion on capital appreciation bonds	-	1,255,000	-	-	1,255,000
Total expenditures	<u>39,772,348</u>	<u>5,368,367</u>	<u>6,201,766</u>	<u>6,425,110</u>	<u>57,767,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,840,504</u>	<u>13,871</u>	<u>423,149</u>	<u>(1,405,850)</u>	<u>6,871,674</u>
Other financing sources (uses):					
Transfers in	-	278,270	-	2,175,000	2,453,270
Transfers (out)	(2,453,270)	-	-	-	(2,453,270)
Total other financing sources (uses)	<u>(2,453,270)</u>	<u>278,270</u>	<u>-</u>	<u>2,175,000</u>	<u>-</u>
Net change in fund balances	5,387,234	292,141	423,149	769,150	6,871,674
Fund balances at beginning of fiscal year	<u>27,956,896</u>	<u>5,066,056</u>	<u>7,188,528</u>	<u>4,708,468</u>	<u>44,919,948</u>
Fund balances at end of fiscal year	<u>\$ 33,344,130</u>	<u>\$ 5,358,197</u>	<u>\$ 7,611,677</u>	<u>\$ 5,477,618</u>	<u>\$ 51,791,622</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds	\$	6,871,674
<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	\$ 7,392,097	
Current year depreciation	(1,123,560)	
Total		6,268,537
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(93,269)	
Income taxes	45,551	
Earnings on investments	27,708	
Intergovernmental	(6,516,173)	
Total		(6,536,183)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
General obligation bonds	1,120,000	
Capital appreciation bonds	1,410,000	
Accreted interest on capital appreciation bonds	1,255,000	
Energy conservation notes	140,000	
Bus purchase notes	80,000	
Lease purchase agreement	65,483	
Capital leases	10,142	
Total		4,080,625
Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The following items resulted in more interest being reported in the statement of activities:		
Decrease in accrued interest payable	(15,273)	
Accretion of interest on capital appreciation bonds	(1,844,011)	
Amortization of bond premiums	288,414	
Amortization of deferred charges	(116,446)	
Total		(1,687,316)
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.		
		(210,643)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		3,513,496
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(4,966,510)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources.		
		145,468
Except for amounts reported as deferred inflows/outflows of resources, changes in the net OPEB asset/liability are reported as OPEB expense in the statement of activities.		
		5,315,291
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(182,313)
Change in net position of governmental activities	\$	12,612,126

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 16,332,932	\$ 16,983,910	\$ 16,888,154	\$ (95,756)
Income taxes	4,825,262	5,017,581	4,896,182	(121,399)
Payment in lieu of taxes	500,000	500,000	750,197	250,197
Tuition	975,000	1,013,860	1,012,854	(1,006)
Transportation fees	50,000	51,993	294	(51,699)
Earnings on investments	350,000	363,950	694,262	330,312
Extracurricular	200,000	207,971	192,774	(15,197)
Classroom materials and fees	86,600	90,052	118,739	28,687
Rental income	50,000	51,993	48,396	(3,597)
Contributions and donations	5,292	5,503	9,792	4,289
Other local revenues	75,000	97,918	208,550	110,632
Intergovernmental - state	21,876,783	22,748,719	22,082,014	(666,705)
Intergovernmental - federal	320,208	363,950	586,527	222,577
Total revenues	<u>45,647,077</u>	<u>47,497,400</u>	<u>47,488,735</u>	<u>(8,665)</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,627,042	22,615,954	17,103,423	5,512,531
Special	5,766,859	7,314,477	5,713,572	1,600,905
Vocational	1,149,458	1,397,461	1,007,523	389,938
Support services:				
Pupil	2,404,299	2,879,663	2,266,771	612,892
Instructional staff	607,706	739,977	551,153	188,824
Board of education	102,860	127,402	104,256	23,146
Administration	3,831,989	4,685,972	3,776,540	909,432
Fiscal	1,560,418	1,793,714	1,309,494	484,220
Operations and maintenance	3,703,824	4,459,929	3,398,962	1,060,967
Pupil transportation	3,069,332	3,814,377	3,100,185	714,192
Central	849,682	1,041,223	825,735	215,488
Extracurricular activities	922,977	1,161,531	828,274	333,257
Total expenditures	<u>42,596,446</u>	<u>52,031,680</u>	<u>39,985,888</u>	<u>12,045,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,050,631</u>	<u>(4,534,280)</u>	<u>7,502,847</u>	<u>12,037,127</u>
Other financing sources (uses):				
Sale of assets	2,500	2,600	15,707	13,107
Transfers (out)	(2,588,049)	(3,152,815)	(2,453,270)	699,545
Total other financing sources (uses)	<u>(2,585,549)</u>	<u>(3,150,215)</u>	<u>(2,437,563)</u>	<u>712,652</u>
Net change in fund balance	465,082	(7,684,495)	5,065,284	12,749,779
Fund balance at beginning of fiscal year . .	24,070,369	24,070,369	24,070,369	-
Prior fiscal year encumbrances appropriated	184,495	184,495	184,495	-
Fund balance at end of fiscal year	<u>\$ 24,719,946</u>	<u>\$ 16,570,369</u>	<u>\$ 29,320,148</u>	<u>\$ 12,749,779</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 2,364,217
Total assets.	<u>2,364,217</u>
Liabilities:	
Current liabilities:	
Claims payable	<u>531,600</u>
Total liabilities	<u>531,600</u>
Net position:	
Unrestricted.	<u>1,832,617</u>
Total net position	<u>\$ 1,832,617</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 5,767,823
Total operating revenues	<u>5,767,823</u>
 Operating expenses:	
Purchased services	732,195
Materials and supplies	23,838
Claims	5,192,950
Other	<u>1,153</u>
Total operating expenses	<u>5,950,136</u>
 Operating loss/change in net position.	 (182,313)
 Net position at beginning of fiscal year	 <u>2,014,930</u>
 Net position at end of fiscal year	 <u>\$ 1,832,617</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	\$ 5,767,823
Cash payments for purchased services.	(732,195)
Cash payments for materials and supplies	(23,838)
Cash payments for claims	(5,094,750)
Cash payments for other operating expenses.	<u>(1,153)</u>
Net cash used in operating activities.	<u>(84,113)</u>
Net decrease in cash and cash equivalents	(84,113)
Cash and cash equivalents at beginning of fiscal year	<u>2,448,330</u>
Cash and cash equivalents at end of fiscal year . . .	<u><u>\$ 2,364,217</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (182,313)
Changes in assets and liabilities:	
Increase in claims payable	<u>98,200</u>
Net cash used in operating activities.	<u><u>\$ (84,113)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 28,257	\$ 38,138
Total assets.	28,257	\$ 38,138
Liabilities:		
Due to students	\$ -	\$ 38,138
Total liabilities	-	\$ 38,138
Net position:		
Held in trust for scholarships	28,257	
Total net position.	\$ 28,257	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		<u>Private Purpose Trust</u>
		<u>Scholarship</u>
Additions:		
Interest	\$	289
Gifts and contributions		15,000
Total additions		<u>15,289</u>
 Deductions:		
Scholarships awarded		<u>10,000</u>
 Change in net position		5,289
 Net position at beginning of fiscal year . .		<u>22,968</u>
 Net position at end of fiscal year	\$	<u><u>28,257</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

Average daily membership (ADM) was 3,818. The District employed 22 full-time administrators and coordinators, 270 full-time certified employees, and 152 full-time classified employees.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer association that develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. Financial information can be obtained from Ashley Widby, who serves as Interim Chief Financial Officer, 2100 Citygate Drive, Columbus, Ohio 43219.

Canal Winchester Joint Recreation District

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

Classroom facilities fund - The classroom facilities capital projects fund is used to account for and report financial resources that are restricted to expenditures related to the District's construction project with the Ohio Facilities Construction Commission.

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

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

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

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

The private purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the period in which the income is earned (See Note 9). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 Notes 17 and 18 for deferred outflows of resources related the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 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. In addition, see Notes 17 and 18 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except agency). The specific timetable for fiscal year 2019 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for tax rate determination.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer.

The certificate of estimated resources may be further amended during the fiscal year if projected increases or decreases in revenues are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2019.

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.
5. All funds, other than agency funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource, and are not intended to be repaid.
6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the fiscal year for all funds consistent with statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the fiscal year by supplemental appropriations, which either re-allocated or increased the original, appropriated amounts. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.
9. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

F. Cash and Investments

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

During fiscal year 2019, the District's investments included commercial paper, negotiable certificates of deposit (CDs), Federal Home Loan Mortgage Corporation securities (FHLMC), Federal Home Loan Bank securities (FHLB), Fannie Mae securities (FNMA), Federal Farm Credit Bank securities (FFCB), U.S. Treasury notes, U.S. government money markets, and STAR Ohio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

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

For fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund except for those specifically related to the auxiliary services fund, lunch room and trust fund authorized by Board resolution. Interest revenue credited to the general fund during fiscal year 2019 amounted to \$700,291, which includes \$167,808 assigned from other District funds.

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

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

G. Inventory

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

Inventory consists of supplies, donated food and purchased food.

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset life are not.

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

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

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

I. Interfund Balances

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

J. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) benefits. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2019, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least fifteen years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2019, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, net pension liability, net OPEB liability and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and other long-term obligations are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Fund Balance

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

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

M. Estimates

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

N. Net Position

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

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

O. Interfund Activity

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 14.A.

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2019.

S. Parochial Schools

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

T. 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.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations" and GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statement of the District; however, certain debt disclosures in Note 14 have been modified to conform to the new requirements.

B. Deficit Fund Balances

Fund balances at June 30, 2019 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Miscellaneous State Grants	\$ 92
IDEA, Part B	133,936
Title I Disadvantaged Children	163,309
IDEA Preschool Grant for the Handicapped	15,401
Improving Teacher Quality	35,026
Miscellaneous Federal Grants	5,220

The general fund is liable for deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. Negative fund cash balances in these funds (with the exception of the Miscellaneous State Grants fund and Miscellaneous Federal Grants fund) resulted from a lag between disbursements and grant funding that was requested but not received by fiscal year-end.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described items in (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Deposits with Financial Institutions

At June 30, 2019, the carrying amount of all District deposits was \$4,761,099. Based on the criteria described in GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", as of June 30, 2019, \$2,078,360 of the District's bank balance of \$4,907,526 was covered by the Ohio Pooled Collateral System (OPCS) as discussed below, while \$2,829,166 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institution was approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

As of June 30, 2019, the District had the following investments and maturity:

<u>Investment type</u>	<u>Measurement Value</u>	<u>Investment Maturity</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair value:</i>						
FHLMC	\$ 5,743,343	\$ -	\$ -	\$ 2,491,695	\$ -	\$ 3,251,648
FHLB	3,146,986	-	248,723	-	1,364,287	1,533,976
FNMA	279,407	-	-	279,407	-	-
FFCB	3,759,376	-	-	297,996	1,200,252	2,261,128
U.S. Treasury notes	1,217,858	1,217,858	-	-	-	-
Negotiable CDs	9,651,314	1,551,167	2,098,171	989,801	-	5,012,175
Commercial paper	4,633,423	3,646,342	987,081	-	-	-
US Government money market	184,785	184,785	-	-	-	-
<i>Amortized cost:</i>						
STAR Ohio	<u>15,580,913</u>	<u>15,580,913</u>	-	-	-	-
Total	<u>\$ 44,197,405</u>	<u>\$ 22,181,065</u>	<u>\$ 3,333,975</u>	<u>\$ 4,058,899</u>	<u>\$ 2,564,539</u>	<u>\$ 12,058,927</u>

The District's investments in U.S. Government money markets are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLMC, FHLB, FNMA and FFCB), U.S. Treasury notes, negotiable CDs and commercial paper 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: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The investments in FHLMC, FHLB, FNMA, FFCB and U.S. Treasury notes carry ratings of Aaa by Moodys and AA+ by Standard & Poor's. The commercial paper was rated P-1 by Moodys and A-1+ and A-1 by Standard & Poor's. The U.S. government money market and negotiable CDs were not rated. The negotiable CDs are covered by FDIC. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State Statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2019:

<u>Investment type</u>	Measurement	
	Value	% to Total
<i>Fair value:</i>		
FHLMC	\$ 5,743,343	12.99
FHLB	3,146,986	7.12
FNMA	279,407	0.63
FFCB	3,759,376	8.51
U.S. Treasury notes	1,217,858	2.76
Negotiable CDs	9,651,314	21.84
Commercial paper	4,633,423	10.48
U.S. Government money market	184,785	0.42
<i>Amortized cost:</i>		
STAR Ohio	15,580,913	35.25
Total	\$ 44,197,405	100.00

C. Reconciliation of Cash and Investment to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2019:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,761,099
Investments	44,197,405
Total	\$ 48,958,504
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 48,892,109
Fiduciary funds	66,395
Total	\$ 48,958,504

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2019, as reported on the fund financial statements, consist of the following interfund loans receivable/payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor special revenue funds:	
	IDEA, Part B	\$ 43,084
	Limited English Proficiency	3,663
	Title I Disadvantaged Children	32,669
	IDEA Preschool for the Handicapped	758
	Improving Teacher Quality	<u>16,316</u>
Total interfund loans receivable/payable		<u>\$ 96,490</u>

The primary purpose of the interfund loans is to cover the negative cash balances at fiscal year-end in the nonmajor governmental funds. The 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.

- B. Interfund transfers for the fiscal year 2019 consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Debt Service fund	\$ 278,270
Nonmajor capital projects fund:	
Permanent Improvement	<u>2,175,000</u>
Total transfers	<u>\$ 2,453,270</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2019 represent the collection of calendar year 2018 taxes. Public utility real and personal property taxes received in calendar year 2019 became a lien on December 31, 2017, were levied after April 1, 2018, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin and Fairfield Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available as an advance at June 30, 2019 was \$5,384,131 in the general fund, \$1,597,247 in the bond retirement fund and \$70,989 in the classroom facilities nonmajor special revenue fund. This amount is recorded as revenue. The amount available for advance at June 30, 2018 was \$5,891,685 in the general fund, \$1,687,744 in the bond retirement fund and \$77,066 in the classroom facilities nonmajor special revenue fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2019 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collections		2019 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 450,391,990	93.99	\$ 465,739,610	94.09
Public utility personal	<u>28,807,490</u>	<u>6.01</u>	<u>29,266,330</u>	<u>5.91</u>
Total	<u>\$ 479,199,480</u>	<u>100.00</u>	<u>\$ 495,005,940</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation		\$ 77.35		\$ 77.19

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 7 - PAYMENT IN LIEU OF TAXES

According to State law, Fairfield County has entered into agreements with property owners under which Fairfield County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Fairfield County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$750,197 in payments in lieu of taxes as a result of these agreements and a receivable of \$805,690 has been reported on the financial statements.

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Canal Winchester provides real estate tax abatements through Community Reinvestment Areas (CRAs) for any industrial or commercial property project improvements made to parcel(s) following specific return-on-investment formulas and guidelines approved by City Council.

Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA programs are 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 Canal Winchester affect the property tax receipts collected and distributed to the District. Under these agreements, the District property taxes were reduced by \$505,008 during fiscal year 2019.

Environmental Protection Agency Program

Franklin County provides real estate tax abatements through the Environmental Protection Agency (EPA) Program.

The air and noise pollution control program was originally established by legislation in 1963. The program allows property tax owners to receive tax exemptions for the installation of air or noise pollution control property and is administered by the Ohio Department of Taxation. As part of the tax exemption application process, the Ohio EPA is required to provide a technical evaluation and review of any property sought for tax exemption status.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 8 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)

The EPA program tax abatements entered into by Franklin County affects the property tax receipts collected and distributed to the District. Under the agreements, the District property taxes were reduced by \$77,805 during fiscal year 2019.

NOTE 9 - INCOME TAX

The District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1991, and is a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the state. Taxpayers are required to file an annual return. The state makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue credited to the general fund and as reported on the statement of activities totaled \$5,025,408 and \$5,070,959, respectively, in fiscal year 2019.

NOTE 10 - RECEIVABLES

Receivables at June 30, 2019 consisted of taxes, payments in lieu of taxes, intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 23,272,356
Income taxes	2,191,108
Payment in lieu of taxes	805,690
Accrued interest	128,349
Intergovernmental:	
Medicaid school program receivable	16,267
State foundation - FTE adjustments	8,438
Miscellaneous state grants	3,197
IDEA, Part B	147,499
Limited english proficiency	3,663
Title I disadvantaged children	163,338
IDEA preschool - handicapped	15,416
Improving teacher quality	35,025
Miscellaneous federal grants	8,875
OFCC receivable	<u>11,235,751</u>
Total intergovernmental receivables	<u>\$ 11,637,469</u>

Receivables have been disaggregated on the face of the financial statements. All receivables, except property taxes and the OFCC intergovernmental receivable, are expected to be collected within one year. Property taxes and payment in lieu of taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The OFCC intergovernmental receivable of \$11,235,751 will be collected over the duration of the construction project.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 11 - CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2019, was as follows:

	<u>Balance</u> <u>07/01/18</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/19</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 3,943,348	\$ 42,275	\$ -	\$ 3,985,623
Construction in progress	<u>1,024,806</u>	<u>7,069,907</u>	<u>-</u>	<u>8,094,713</u>
Total capital assets, not being depreciated	<u>4,968,154</u>	<u>7,112,182</u>	<u>-</u>	<u>12,080,336</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	279,847	-	-	279,847
Buildings and improvements	74,922,237	-	-	74,922,237
Furniture, equipment and vehicles	<u>4,917,085</u>	<u>279,915</u>	<u>-</u>	<u>5,197,000</u>
Total capital assets, being depreciated	<u>80,119,169</u>	<u>279,915</u>	<u>-</u>	<u>80,399,084</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(8,626)	(24,023)	-	(32,649)
Buildings	(13,573,939)	(757,070)	-	(14,331,009)
Furniture, equipment and vehicles	<u>(2,935,702)</u>	<u>(342,467)</u>	<u>-</u>	<u>(3,278,169)</u>
Total accumulated depreciation	<u>(16,518,267)</u>	<u>(1,123,560)</u>	<u>-</u>	<u>(17,641,827)</u>
Governmental activities capital assets, net	<u>\$ 68,569,056</u>	<u>\$ 6,268,537</u>	<u>\$ -</u>	<u>\$ 74,837,593</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 355,460
Special	145,676
Vocational	21,209
<u>Support services:</u>	
Pupil	43,321
Instructional staff	14,999
Board of education	269
Administration	35,395
Fiscal	14,678
Operations and maintenance	141,829
Pupil transportation	253,938
Central	31,724
Food service operations	13,058
Extracurricular activities	<u>52,004</u>
Total depreciation expense	<u>\$ 1,123,560</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds and as functional expenditures in the budgetary statements. At June 30, 2019, the capital assets acquired by the capital lease obligation outstanding at fiscal year-end have been capitalized in the amount of \$57,207, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2019 was \$19,067, leaving a current book value of \$38,140.

A corresponding liability was recorded in the statement of net position. The principal and interest payments on the capital lease were made during fiscal year 2019, which totaled \$10,142 and \$2,890, respectively, in the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligation and the present value of the minimum lease payments as of June 30, 2019:

<u>Fiscal Year Ending June 30,</u>	<u>Copiers</u>
2020	\$ 13,032
2021	13,032
2022	13,032
2023	<u>7,631</u>
Total minimum lease payments	46,727
Less: amount representing interest	<u>(4,818)</u>
Total	<u>\$ 41,909</u>

NOTE 13 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE

During fiscal year 2007, the District entered into a lease-purchase agreement with All Points Public Funding, LLC (the "Lessor"). The lease meets the criteria of a lease-purchase as defined by GASB, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to purchase land and construct a transportation center. Capital assets acquired by lease purchase have been capitalized under land and buildings and improvements in the amount of \$244,200 and \$850,460, respectively. Accumulated depreciation as of June 30, 2019 was \$127,265, leaving a current book value of \$967,395. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2019 totaled \$65,483 and \$33,137, respectively, in the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 13 - LEASE-PURCHASE AGREEMENT - LESSEE DISCLOSURE - (Continued)

The lease-purchase is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. In conjunction with the lease-purchase agreement, the District and the Lessor have entered into a Ground Lease agreement whereby the District has leased to the Lessor, under a Ground Lease, the Project Site and the Lessor has subleased the Project Site, and the facilities already located and/or to be constructed thereon (the "Project Facilities") back to the District under the terms of the lease-purchase agreement. The Project Site and Project Facilities are collateral for the debt as, in the event of default or "Nonappropriation of Funds", the Lessor shall have all legal and equitable rights to take possession of the Project Site and Project Facilities and/or assign the Ground Lease. The lease-purchase agreement has no significant finance-related terms related to events of default, termination events, or subjective acceleration clauses. On July 25, 2019, the District paid off the lease-purchase agreement in full (see Note 23 for detail).

The following is a schedule of the future minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2019.

	<u>Total</u>
Total minimum lease payments - fiscal year 2020	\$ 636,324
Less: amount representing interest	<u>(2,611)</u>
Present value of minimum lease payments	<u>\$ 633,713</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations activity during fiscal year 2019 consisted of the following.

	Balance			Balance	Amounts
	06/30/18	Additions	Reductions	06/30/19	Due in One Year
Governmental activities:					
General obligation bonds	\$ 54,907,115	\$ 1,844,011	\$ (3,785,000)	\$ 52,966,126	\$ 4,095,000
Energy conservation notes	1,440,000	-	(140,000)	1,300,000	145,000
School bus notes	595,000	-	(80,000)	515,000	80,000
Lease purchase agreement from direct borrowing	699,196	-	(65,483)	633,713	633,713
Capital lease obligation	52,051	-	(10,142)	41,909	10,777
Compensated absences	1,405,487	444,385	(231,745)	1,618,127	234,563
Net pension liability:					
STRS	38,003,808	-	(2,458,762)	35,545,046	-
SERS	10,043,454	-	(540,868)	9,502,586	-
Total net pension liability	<u>48,047,262</u>	<u>-</u>	<u>(2,999,630)</u>	<u>45,047,632</u>	<u>-</u>
Net OPEB liability:					
STRS	6,241,865	-	(6,241,865)	-	-
SERS	4,577,382	107,983	-	4,685,365	-
Total net OPEB liability	<u>10,819,247</u>	<u>107,983</u>	<u>(6,241,865)</u>	<u>4,685,365</u>	<u>-</u>
Total long-term obligations, governmental activities	<u>\$ 117,965,358</u>	<u>\$ 2,396,379</u>	<u>\$ (13,553,865)</u>	<u>106,807,872</u>	<u>\$ 5,199,053</u>
Add: Unamortized premium on refunding				<u>2,561,792</u>	
Total on the statement of net position				<u>\$ 109,369,664</u>	

B. General Obligation Bonds

The District has six outstanding general obligation bond issues at June 30, 2019. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and the advance refunding of previous issues. These general obligation bonds are direct obligations of the district for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for in the statement of net position. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's debt service fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2019:

General obligation bonds:	Balance <u>06/30/18</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/19</u>
Series 2000 - current interest bonds	\$ 815,000	\$ -	\$ (5,000)	\$ 810,000
Series 2005-B - refunding capital appreciation bonds	3,600,000	-	-	3,600,000
Series 2005-B - accreted interest	<u>5,493,528</u>	<u>674,473</u>	<u>-</u>	<u>6,168,001</u>
	<u>9,093,528</u>	<u>674,473</u>	<u>-</u>	<u>9,768,001</u>
Series 2007 - refunding current interest bonds	4,345,000	-	-	4,345,000
Series 2007 - refunding capital appreciation bonds	4,983	-	-	4,983
Series 2007 - accreted interest	<u>506,626</u>	<u>262,574</u>	<u>-</u>	<u>769,200</u>
	<u>4,856,609</u>	<u>262,574</u>	<u>-</u>	<u>5,119,183</u>
Series 2011 - current interest serial and term bonds	2,255,000	-	-	2,255,000
Series 2011 - capital appreciation bonds	25,000	-	(25,000)	-
Series 2011 - accreted interest	<u>48,677</u>	<u>6,323</u>	<u>(55,000)</u>	<u>-</u>
	<u>2,328,677</u>	<u>6,323</u>	<u>(80,000)</u>	<u>2,255,000</u>
Series 2013 - refunding current interest bonds	2,950,000	-	(1,115,000)	1,835,000
Series 2013 - refunding capital appreciation bonds	75,697	-	-	75,697
Series 2013 - accreted interest	<u>265,573</u>	<u>117,486</u>	<u>-</u>	<u>383,059</u>
	<u>3,291,270</u>	<u>117,486</u>	<u>(1,115,000)</u>	<u>2,293,756</u>
Series 2016 - refunding current interest bonds	30,220,000	-	-	30,220,000
Series 2016 - refunding capital appreciation bonds	2,580,000	-	(1,385,000)	1,195,000
Series 2016 - accreted interest	<u>1,722,031</u>	<u>783,155</u>	<u>(1,200,000)</u>	<u>1,305,186</u>
	<u>34,522,031</u>	<u>783,155</u>	<u>(2,585,000)</u>	<u>32,720,186</u>
Total general obligation bonds payable	<u>\$ 54,907,115</u>	<u>\$ 1,844,011</u>	<u>\$ (3,785,000)</u>	<u>\$ 52,966,126</u>

Series 2000 General Obligation Bonds

On May 9, 2000, the District issued current interest general obligation bonds to finance the construction of a new intermediate building, an addition to the high school and renovations to the current intermediate building. The issue is made up of current interest bonds, bears an interest rate of 6.375 percent and matures on June 1, 2028. The bonds have an outstanding balance of \$810,000 at June 30, 2019.

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Series 2005-B School Facilities Construction and Advance Refunding Bonds

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

On March 27, 2007, the District advance refunded \$28,675,000 (Series 2007 Refunding Bonds) of the callable portion of the bonds. The balance of the refunded bonds at June 30, 2019 is \$26,600,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

On May 1, 2013, the District advance refunded (Series 2013 Refunding Bonds) \$4,495,000 of the Series 2005-B current interest serial bonds maturing on December 1, 2016 through December 1, 2020. The balance of the refunded bonds at June 30, 2019, is \$2,485,000. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

At June 30, 2019, the non-refunded portion of the debt issue is comprised of capital appreciation bonds, par value \$3,600,000. The capital appreciation bonds mature December 1, 2021 (stated interest 11.049 percent), December 1, 2029 (stated interest 6.942 percent), December 1, 2030 (stated interest 6.946 percent), December 1, 2031 (stated interest 6.939 percent), December 1, 2032 (stated interest 6.950 percent), December 1, 2033 (stated interest 6.915 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$21,250,000. Total accreted interest of \$6,168,001 has been included in the statement of net position.

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

Series 2007 Advance Refunding Bonds

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

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

At June 30, 2019, the non-refunding portion of the debt issue is comprised of both current interest bonds, par value \$4,345,000, and a capital appreciation bond, par value \$4,983. The interest rate on the current interest bonds ranges from 5.00-5.25 percent. The capital appreciation bond matures December 1, 2022 (approximate initial offering yield at maturity of 4.30 percent), at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond is \$3,300,000. Total accreted interest of \$769,200 has been included in the statement of net position.

The reacquisition price of the original Series 2007 issue exceeded the net carrying amount of the old debt by \$1,445,025. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Series 2011 School Facilities Construction and Improvement General Obligation Bonds

On November 9, 2011, the District issued \$2,670,000 in general obligation bonds to finance the School Facilities Construction and Improvement Notes that matured on November 17, 2011, on a long-term basis. At June 30, 2019, the debt issue is comprised of current interest serial bonds (par value \$235,000) and current interest term bonds (par value \$2,020,000). The interest rate on the current interest serial bonds is 2.00 percent and the interest rate on the current interest term bonds ranges from 3.50-4.20 percent. The capital appreciation bond matured December 1, 2018 (approximate initial offering yield at maturity of 3.30 percent), at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond was \$80,000 and accreted interest capital appreciation bond was \$55,000.

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

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

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

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

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

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

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

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

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

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

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

Series 2013 Advance Refunding Bonds

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

At June 30, 2019, the debt issue is comprised of both current interest bonds, par value \$1,835,000, and capital appreciation bonds, par value \$75,697. The interest rate on the current interest bonds ranges from 0.35-2.10 percent. The capital appreciation bonds mature December 1, 2020 (stated interest 2.65 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. Total accreted interest of \$383,059 has been included in the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$92,259. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016 Taxable Advance Refunding Bonds

On March 1, 2016, the District issued general obligation bonds to advance refund the callable portion of the current interest Series 2007 Advance Refunding Bonds (principal \$35,540,000). The issuance proceeds of \$35,540,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

At June 30, 2019, the debt issue is comprised of both current interest serial bonds, par value \$30,220,000, and capital appreciation bond, par value \$1,195,000. The interest rate on the current interest bonds ranges from 0.888-3.23 percent. The capital appreciation bond matures December 1, 2019 (stated interest 2.126 percent) at a redemption price equal to 100 percent of the principal, plus accrued interest to the redemption date. Total accreted interest of \$1,305,186 has been included in the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,237,833. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The net present value savings of the refunding was \$2,245,344.

The following is a summary of the future debt service requirements to maturity for the general obligation bonds.

Year Ended	Current Interest Serial/Term Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,295,000	\$ 1,209,927	\$ 2,504,927	\$ 1,195,000	\$ 1,605,000	\$ 2,800,000
2021	3,710,000	1,161,861	4,871,861	75,697	639,303	715,000
2022	3,255,000	1,088,169	4,343,169	260,000	1,215,000	1,475,000
2023	1,495,000	1,033,555	2,528,555	-	-	-
2024	4,840,000	948,905	5,788,905	4,983	3,295,017	3,300,000
2025 - 2029	23,535,000	2,538,633	26,073,633	-	-	-
2030 - 2034	600,000	215,907	815,907	3,340,000	16,435,000	19,775,000
2035 - 2039	735,000	79,838	814,838	-	-	-
Total	<u>\$ 39,465,000</u>	<u>\$ 8,276,795</u>	<u>\$ 47,741,795</u>	<u>\$ 4,875,680</u>	<u>\$ 23,189,320</u>	<u>\$ 28,065,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

C. Energy Conservation Notes

The following is a summary of the District's energy conservation notes outstanding at June 30, 2019:

	<u>Balance</u> <u>06/30/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/19</u>
Energy Conservation Notes:				
Current interest serial notes	\$ 590,000	\$ -	\$ (140,000)	\$ 450,000
Current interest term notes	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
Total	<u>\$ 1,440,000</u>	<u>\$ -</u>	<u>\$ (140,000)</u>	<u>\$ 1,300,000</u>

On November 9, 2011, the District issued \$2,180,000 in energy conservation notes for the purpose of purchasing and installing energy conservation measures. The original debt issue was comprised of current interest serial notes (par value \$1,250,000), current interest term notes (par value \$850,000) and capital appreciation notes (par value \$80,000). The interest rate on the current interest serial notes is 2.00 percent and the interest rate on the current interest term notes ranges from 3.50-3.35 percent. The capital appreciation notes matured December 1, 2017.

Interest payments on the notes are due on June 1 and December 1 of each year. The final maturity stated in the issue for the current interest serial notes and the current interest term notes is December 1, 2021, and December 1, 2026, respectively. Payments of principal and interest related to these notes are recorded as expenditures in the District's debt service fund.

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

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

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

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

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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

<u>Year Ended</u>	<u>Current Interest Serial/Term Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 145,000	\$ 40,675	\$ 185,675
2021	150,000	36,250	186,250
2022	155,000	31,481	186,481
2023	160,000	26,162	186,162
2024	165,000	20,475	185,475
2025 - 2027	<u>525,000</u>	<u>26,716</u>	<u>551,716</u>
Total	<u>\$ 1,300,000</u>	<u>\$ 181,759</u>	<u>\$ 1,481,759</u>

D. School Bus Notes

The following is a summary of the District's school bus notes outstanding at June 30, 2019:

	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/19</u>
School bus notes - 2014B	<u>\$ 595,000</u>	<u>\$ -</u>	<u>\$ (80,000)</u>	<u>\$ 515,000</u>

On October 23, 2014, the District issued \$835,000 in long-term general obligation school bus notes for the purpose of acquiring school buses. The debt issue is comprised of current interest notes with an interest rate of 2.40 percent. Interest payments on the notes are due on June 1 and December 1 of each year. The final maturity stated in the issue for the notes is December 1, 2024. Payments of principal and interest related to these notes are recorded as expenditures in the District's debt service fund.

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

<u>Year Ended</u>	<u>Current Interest Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 80,000	\$ 11,400	\$ 91,400
2021	85,000	9,420	94,420
2022	85,000	7,380	92,380
2023	85,000	5,340	90,340
2024	90,000	3,240	93,240
2025	<u>90,000</u>	<u>1,080</u>	<u>91,080</u>
Total	<u>\$ 515,000</u>	<u>\$ 37,860</u>	<u>\$ 552,860</u>

E. Other Long-Term Obligations

Compensated Absences

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Net Pension Liability

The District pays obligations related to employee compensation from the fund benefitting their service, which is primarily the general fund. See Note 17 to the notes to the basic financial statements for details.

Net OPEB Liability

The District pays obligations related to employee compensation from the fund benefitting their service, which is primarily the general fund. See Note 18 to the notes to the basic financial statements for details.

Capital Lease Obligations

Refer to Note 12 to the notes to the basic financial statements for detail on the capital lease obligations.

Lease Purchase Agreement

Refer to Note 13 to the notes to the basic financial statements for detail on the lease purchase agreement.

F. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9 percent of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1 percent of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1 percent of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2019, are a voted debt margin of \$5,568,052 (including available funds of \$5,358,197) and an unvoted debt margin of \$495,006.

NOTE 15 - COMPENSATED ABSENCES

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 15 - COMPENSATED ABSENCES - (Continued)

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

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

The classified personnel accumulate vacation based on the following schedule:

<u>Eleven Month Classified</u>		<u>Twelve Month Classified</u>	
Years Service	Vacation Days Per Month	Years Service	Vacation Days Per Month
1 - 5	.834	1 - 5	1
6 - 10	1	6 - 10	1.167
11 - 15	1.25	11 - 15	1.417
16 - 20	1.667	16 - 20	1.834

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

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

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

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

NOTE 16 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to the employees and natural disasters. During fiscal year 2019, the District has contracted with commercial carriers for property and general liability insurance.

The District maintains replacement cost insurance on buildings and contents of \$110,501,124. General liability insurance is maintained in the amount of \$6,000,000 for each occurrence and \$6,000,000 in the aggregate. The District maintains fleet insurance in the amount of \$6,000,000 for any one accident or loss and \$6,000,000 in the aggregate.

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 16 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

For calendar years 2014 through 2019, the District is participating in a Workers' Compensation Group Rating Plan (GRP). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

C. Health Insurance

The District provides employees with medical, dental and pharmacy coverage through a self-funded plan administered by Medical Mutual and Delta Dental. The claims liability of \$531,600 reported in the internal service fund at June 30, 2019, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

A summary of changes in self-insurance claims for the fiscal years ended June 30, 2019 and June 30, 2018:

	<u>2019</u>	<u>2018</u>
Claim Liabilities at Beginning of Fiscal Year	\$ 433,400	\$ 364,712
Incurred Claims	5,192,950	4,609,857
Claims Paid	<u>(5,094,750)</u>	<u>(4,541,169)</u>
Claim Liabilities at End of Fiscal Year	<u>\$ 531,600</u>	<u>\$ 433,400</u>

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**CANAL WINCHESTER LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or 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; or 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 years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5%. The remaining 0.5% of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$890,627 for fiscal year 2019. Of this amount, \$109,929 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers 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 website at www.strsoh.org.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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 fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,622,869 for fiscal year 2019. Of this amount, \$444,936 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The net pension liability was measured as of June 30, 2018, 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 projected 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	0.16809750%	0.15998091%	
Proportion of the net pension liability current measurement date	<u>0.16592070%</u>	<u>0.16165837%</u>	
Change in proportionate share	<u>-0.00217680%</u>	<u>0.00167746%</u>	
Proportionate share of the net pension liability	\$ 9,502,586	\$ 35,545,046	\$ 45,047,632
Pension expense	\$ 974,488	\$ 3,992,022	\$ 4,966,510

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 521,160	\$ 820,492	\$ 1,341,652
Changes of assumptions	214,590	6,299,252	6,513,842
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	378,797	1,396,869	1,775,666
Contributions subsequent to the measurement date	<u>890,627</u>	<u>2,622,869</u>	<u>3,513,496</u>
Total deferred outflows of resources	<u>\$ 2,005,174</u>	<u>\$ 11,139,482</u>	<u>\$ 13,144,656</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 232,130	\$ 232,130
Net difference between projected and actual earnings on pension plan investments	263,287	2,155,412	2,418,699
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>109,414</u>	<u>-</u>	<u>109,414</u>
Total deferred inflows of resources	<u>\$ 372,701</u>	<u>\$ 2,387,542</u>	<u>\$ 2,760,243</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$3,513,496 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, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ 878,606	\$ 3,626,072	\$ 4,504,678
2021	255,833	2,517,794	2,773,627
2022	(311,847)	380,613	68,766
2023	(80,746)	(395,408)	(476,154)
Total	\$ 741,846	\$ 6,129,071	\$ 6,870,917

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, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation COLA or ad hoc COLA	3.50% to 18.20%
	2.50%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

For 2018, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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 most recent experience study was completed for the five year period ended June 30, 2015.

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 average 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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
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	10.00	3.00
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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%), or one percentage point higher (8.50%) than the current rate.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 13,385,109	\$ 9,502,586	\$ 6,247,350

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

	July 1, 2018
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.0%, effective July 1, 2017

For the July 1, 2018, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation**	Long Term Expected Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2018. 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, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$ 51,908,860	\$ 35,545,046	\$ 21,695,297

NOTE 18 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/asset 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 these estimates annually.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, 0.5% of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$112,482.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$145,468 for fiscal year 2019. Of this amount, \$116,553 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2018, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.17056000%	0.15998091%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.16888640%</u>	<u>0.16165837%</u>	
Change in proportionate share	<u>-0.00167360%</u>	<u>0.00167746%</u>	
Proportionate share of the net OPEB liability	\$ 4,685,365	\$ -	\$ 4,685,365
Proportionate share of the net OPEB asset	\$ -	\$ (2,597,685)	\$ (2,597,685)
OPEB expense	\$ 294,869	\$ (5,610,160)	\$ (5,315,291)

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 76,482	\$ 303,414	\$ 379,896
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	139,383	130,721	270,104
Contributions subsequent to the measurement date	<u>145,468</u>	<u>-</u>	<u>145,468</u>
Total deferred outflows of resources	<u>\$ 361,333</u>	<u>\$ 434,135</u>	<u>\$ 795,468</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 151,350	\$ 151,350
Net difference between projected and actual earnings on OPEB plan investments	7,030	296,764	303,794
Changes of assumptions	420,945	3,539,553	3,960,498
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>84,510</u>	<u>-</u>	<u>84,510</u>
Total deferred inflows of resources	<u>\$ 512,485</u>	<u>\$ 3,987,667</u>	<u>\$ 4,500,152</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$145,468 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	\$ (107,741)	\$ (635,468)	\$ (743,209)
2021	(89,348)	(635,468)	(724,816)
2022	(31,100)	(635,468)	(666,568)
2023	(28,110)	(568,072)	(596,182)
2024	(28,595)	(544,429)	(573,024)
Thereafter	(11,726)	(534,627)	(546,353)
Total	\$ (296,620)	\$ (3,553,532)	\$ (3,850,152)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.62%
Prior measurement date	3.56%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.70%
Prior measurement date	3.63%
Medical trend assumption:	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70%. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2026. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2025 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62%, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.56% was used as of June 30, 2017. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 3.75%) and higher (8.5% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
District's proportionate share of the net OPEB liability	\$ 5,685,322	\$ 4,685,365	\$ 3,893,586

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.5 % decreasing to 3.75 %)	Current Trend Rate (7.5 % decreasing to 4.75 %)	1% Increase (8.5 % decreasing to 5.75 %)
District's proportionate share of the net OPEB liability	\$ 3,780,230	\$ 4,685,365	\$ 5,883,926

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation, compared with July 1, 2017, are presented below:

	July 1, 2018	July 1, 2017
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%, effective July 1, 2017
Discounted rate of return	7.45%	N/A
Blended discount rate of return	N/A	4.13%
Health care cost trends		6 to 11% initial, 4.50% ultimate
	Initial	Ultimate
Medical		
Pre-Medicare	6.00%	4.00%
Medicare	5.00%	4.00%
Prescription Drug		
Pre-Medicare	8.00%	4.00%
Medicare	-5.23%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date - The subsidy multiplier for non-Medicare benefit recipients was increased from 1.90% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation**</u>	<u>Long Term Expected Real Rate of Return *</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

** The Target Allocation percentage is effective as of July 1, 2017. Target weights will be phased in over a 24-month period concluding on July 1, 2019.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2018. A discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net OPEB asset	\$ 2,226,459	\$ 2,597,685	\$ 2,909,683
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,892,070	\$ 2,597,685	\$ 2,298,714

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 5,065,284
Net adjustment for revenue accruals	2,150
Net adjustment for expenditure accruals	246,613
Net adjustment for other sources/uses	(15,707)
Funds budgeted elsewhere *	(117,480)
Adjustment for encumbrances	206,374
GAAP basis	<u>\$ 5,387,234</u>

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

NOTE 20 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data; however, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2019, if applicable, cannot be determined at this time.

B. Litigation

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

C. Foundation Funding

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 a result of the fiscal year end 2019 reviews, the District is due \$21,092 from ODE. This amount has not been included in the financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 21 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2018	\$ -
Current fiscal year set-aside requirement	667,842
Current fiscal year offsets	<u>(2,421,245)</u>
Total	<u>\$ (1,753,403)</u>
Balance carried forward to fiscal year 2020	<u><u>\$ -</u></u>
Set-aside balance June 30, 2019	<u><u>\$ -</u></u>

NOTE 22 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Fiscal Year-End Encumbrances</u>
General	\$ 136,663
Classroom Facilities	563,953
Other governmental	<u>78,757</u>
Total	<u><u>\$ 779,373</u></u>

NOTE 23 - SIGNIFICANT SUBSEQUENT EVENTS

On July 25, 2019, the District paid off the direct borrowing lease-purchase agreement in full and the collateral securing the lease-purchase agreement was released by the Lessor. See Note 13 for details on the lease-purchase agreement.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.16592070%	0.16809750%	0.15775280%	0.15041770%
District's proportionate share of the net pension liability	\$ 9,502,586	\$ 10,043,454	\$ 11,546,049	\$ 8,582,980
District's covered payroll	\$ 4,884,104	\$ 5,537,200	\$ 4,914,293	\$ 4,528,354
District's proportionate share of the net pension liability as a percentage of its covered payroll	194.56%	181.38%	234.95%	189.54%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%

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.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.14760200%	0.14760200%
\$ 7,470,053	\$ 8,777,417
\$ 4,289,033	\$ 3,943,353
174.17%	222.59%
71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.16165837%	0.15998091%	0.15812373%	0.15190290%
District's proportionate share of the net pension liability	\$ 35,545,046	\$ 38,003,808	\$ 52,928,779	\$ 41,981,518
District's covered payroll	\$ 18,984,571	\$ 17,589,543	\$ 16,697,171	\$ 16,140,071
District's proportionate share of the net pension liability as a percentage of its covered payroll	187.23%	216.06%	316.99%	260.11%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%	72.10%

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.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>
0.15013248%	0.15013248%
\$ 36,517,415	\$ 43,499,306
\$ 15,339,392	\$ 15,241,146
238.06%	285.41%
74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 890,627	\$ 659,354	\$ 775,208	\$ 688,001
Contributions in relation to the contractually required contribution	<u>(890,627)</u>	<u>(659,354)</u>	<u>(775,208)</u>	<u>(688,001)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,597,237	\$ 4,884,104	\$ 5,537,200	\$ 4,914,293
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 596,837	\$ 594,460	\$ 545,760	\$ 585,304	\$ 542,280	\$ 546,021
<u>(596,837)</u>	<u>(594,460)</u>	<u>(545,760)</u>	<u>(585,304)</u>	<u>(542,280)</u>	<u>(546,021)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,528,354	\$ 4,289,033	\$ 3,943,353	\$ 4,351,703	\$ 4,314,081	\$ 4,032,651
13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,622,869	\$ 2,657,840	\$ 2,462,536	\$ 2,337,604
Contributions in relation to the contractually required contribution	<u>(2,622,869)</u>	<u>(2,657,840)</u>	<u>(2,462,536)</u>	<u>(2,337,604)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,734,779	\$ 18,984,571	\$ 17,589,543	\$ 16,697,171
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,259,610	\$ 1,994,121	\$ 1,981,349	\$ 1,917,062	\$ 2,061,140	\$ 1,940,039
<u>(2,259,610)</u>	<u>(1,994,121)</u>	<u>(1,981,349)</u>	<u>(1,917,062)</u>	<u>(2,061,140)</u>	<u>(1,940,039)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,140,071	\$ 15,339,392	\$ 15,241,146	\$ 14,746,631	\$ 15,854,923	\$ 14,923,377
14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.16888640%	0.17056000%	0.15948100%
District's proportionate share of the net OPEB liability	\$ 4,685,365	\$ 4,577,382	\$ 4,545,798
District's covered payroll	\$ 4,884,104	\$ 5,537,200	\$ 4,914,293
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	95.93%	82.67%	92.50%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

Note: Information prior to 2017 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.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.16165837%	0.15998091%	0.15812373%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,597,685)	\$ 6,241,865	\$ 8,456,498
District's covered payroll	\$ 18,984,571	\$ 17,589,543	\$ 16,697,171
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	13.68%	35.49%	50.65%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	176.00%	47.10%	37.30%

Note: Information prior to 2017 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.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 145,468	\$ 118,147	\$ 92,866	\$ 79,050
Contributions in relation to the contractually required contribution	<u>(145,468)</u>	<u>(118,147)</u>	<u>(92,866)</u>	<u>(79,050)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,597,237	\$ 4,884,104	\$ 5,537,200	\$ 4,914,293
Contributions as a percentage of covered payroll	0.50%	0.50%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 109,756	\$ 76,126	\$ 68,745	\$ 89,408	\$ 94,332	\$ 217,261
<u>(109,756)</u>	<u>(76,126)</u>	<u>(68,745)</u>	<u>(89,408)</u>	<u>(94,332)</u>	<u>(217,261)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,528,354	\$ 4,289,033	\$ 3,943,353	\$ 4,351,703	\$ 4,314,081	\$ 4,032,651
0.82%	0.14%	0.16%	0.55%	1.43%	0.46%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,734,779	\$ 18,984,571	\$ 17,589,543	\$ 16,697,171
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ 155,275	\$ 152,411	\$ 147,466	\$ 149,234	\$ 136,962
-	(155,275)	(152,411)	(147,466)	(149,234)	(136,962)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,140,071	\$ 15,339,392	\$ 15,241,146	\$ 14,746,631	\$ 15,854,923	\$ 14,923,377
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PENSION

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. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.

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, (g) mortality among disabled members 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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2019.

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. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal year 2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) 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 the following: 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, (g) mortality among disabled members was updated to the following: 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rate for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in trend rates from 6.00%-11.00 initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

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

FUND DESCRIPTIONS - MAJOR FUNDS

General Fund

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

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

Debt Service Fund

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

Classroom Facilities Fund

A fund used to account for and report financial resources that are restricted to expenditures related to the District's construction project with the Ohio Facilities Construction Commission.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total revenues and other sources	\$ 5,428,270	\$ 5,450,000	\$ 5,751,004	\$ 301,004
Total expenditures and other uses	<u>8,806,757</u>	<u>6,000,000</u>	<u>5,368,366</u>	<u>631,634</u>
Net change in fund balance	(3,378,487)	(550,000)	382,638	932,638
Fund balance at beginning of fiscal year	<u>3,378,487</u>	<u>3,378,487</u>	<u>3,378,487</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ 2,828,487</u>	<u>\$ 3,761,125</u>	<u>\$ 932,638</u>
Classroom Facilities				
Total revenues and other sources	\$ 6,309,312	\$ 6,350,000	\$ 4,119,060	\$ (2,230,940)
Total expenditures and other uses	<u>13,654,884</u>	<u>13,695,572</u>	<u>5,312,555</u>	<u>8,383,017</u>
Net change in fund balance	(7,345,572)	(7,345,572)	(1,193,495)	6,152,077
Fund balance at beginning of fiscal year	6,181,056	6,181,056	6,181,056	-
Prior year encumbrances appropriated	<u>1,164,516</u>	<u>1,164,516</u>	<u>1,164,516</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,152,077</u>	<u>\$ 6,152,077</u>

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

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Food Service Fund

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

Other Grants Fund

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

Classroom Facilities Maintenance Fund

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

District Managed Student Activities Fund

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

Auxiliary Services Fund

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

Data Communication Fund

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

Miscellaneous State Grants Fund

A fund used to account for various monies received from State agencies not classified elsewhere.

IDEA, Part B Fund

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

Limited English Proficiency Fund

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

Title I Disadvantaged Children Fund

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

IDEA Preschool - Handicapped Fund

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

Improving Teacher Quality Fund

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

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

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued)

Miscellaneous Federal Grants Fund

A fund provided to account for monies received through state agencies from the federal government. Included is the Title IV-A federal student aid program.

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

Public School Support Fund

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

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund

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

Building Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,543,310	\$ 2,719,842	\$ 4,263,152
Investments.		1,908,825	1,908,825
Receivables:			
Property taxes	233,834	-	233,834
Accrued interest		4,863	4,863
Intergovernmental.	377,013	-	377,013
Materials and supplies inventory	6,866	-	6,866
Inventory held for resale.	32,037	-	32,037
	<u>\$ 2,193,060</u>	<u>\$ 4,633,530</u>	<u>\$ 6,826,590</u>
Liabilities:			
Accounts payable	\$ 122,472	\$ 77,881	\$ 200,353
Contracts payable	-	177,364	177,364
Retainage payable	-	20,292	20,292
Accrued wages and benefits payable.	231,664	-	231,664
Pension and postemployment benefits payable	79,874	-	79,874
Intergovernmental payable.	2,412	-	2,412
Interfund loans payable.	96,490	-	96,490
	<u>532,912</u>	<u>275,537</u>	<u>808,449</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	156,135	-	156,135
Delinquent property tax revenue not available	6,710	-	6,710
Intergovernmental revenue not available	373,350	-	373,350
Accrued interest not available	-	4,328	4,328
	<u>536,195</u>	<u>4,328</u>	<u>540,523</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	6,866	-	6,866
Restricted:			
Classroom facilities maintenance	657,242	-	657,242
Food service operations.	527,275	-	527,275
Non-public schools	13,354	-	13,354
Other purposes.	26,603	-	26,603
Student activities.	245,597	-	245,597
Committed:			
Capital improvements	-	4,353,665	4,353,665
Unassigned (deficit)	(352,984)	-	(352,984)
	<u>1,123,953</u>	<u>4,353,665</u>	<u>5,477,618</u>
Total fund balances	<u>1,123,953</u>	<u>4,353,665</u>	<u>5,477,618</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,193,060</u>	<u>\$ 4,633,530</u>	<u>\$ 6,826,590</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ 214,001	\$ -	\$ 214,001
Earnings on investments	13,691	56,692	70,383
Charges for services	725,520	-	725,520
Extracurricular	354,416	-	354,416
Rental income	6,520	-	6,520
Contributions and donations	5,263	-	5,263
Other local revenues	41,083	20,000	61,083
Intergovernmental - intermediate.	60,000	-	60,000
Intergovernmental - state.	587,986	-	587,986
Intergovernmental - federal	2,915,711	-	2,915,711
Change in fair value of investments	-	18,377	18,377
Total revenues	4,924,191	95,069	5,019,260
Expenditures:			
Current:			
Instruction:			
Regular	430,106	-	430,106
Special.	1,666,112	-	1,666,112
Support services:			
Pupil.	284,780	-	284,780
Instructional staff	190,186	-	190,186
Administration.	161,788	-	161,788
Fiscal	43,744	2,173	45,917
Operations and maintenance.	17,449	45,367	62,816
Pupil transportation	-	233,237	233,237
Central.	-	48,994	48,994
Operation of non-instructional services:			
Food service operations	1,636,515	-	1,636,515
Extracurricular activities	276,679	-	276,679
Facilities acquisition and construction.	-	1,387,980	1,387,980
Total expenditures	4,707,359	1,717,751	6,425,110
Excess (deficiency) of revenues over (under) expenditures	216,832	(1,622,682)	(1,405,850)
Other financing sources:			
Transfers in.	-	2,175,000	2,175,000
Total other financing sources	-	2,175,000	2,175,000
Net change in fund balances	216,832	552,318	769,150
Fund balances at beginning of fiscal year	907,121	3,801,347	4,708,468
Fund balances at end of fiscal year.	\$ 1,123,953	\$ 4,353,665	\$ 5,477,618

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Food Service</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 548,364	\$ 26,603	\$ 586,253	\$ 250,893
Receivables:				
Property taxes	-	-	233,834	-
Intergovernmental.	-	-	-	-
Materials and supplies inventory.	6,866	-	-	-
Inventory held for resale.	32,037	-	-	-
Total assets.	<u>\$ 587,267</u>	<u>\$ 26,603</u>	<u>\$ 820,087</u>	<u>\$ 250,893</u>
Liabilities:				
Accounts payable	\$ 6,449		\$ -	\$ 5,296
Accrued wages and benefits payable.	-	-	-	-
Pension and postemployment benefits payable	46,677	-	-	-
Intergovernmental payable.	-	-	-	-
Interfund loans payable.	-	-	-	-
Total liabilities.	<u>53,126</u>	<u>-</u>	<u>-</u>	<u>5,296</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	156,135	-
Delinquent property tax revenue not available	-	-	6,710	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>162,845</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	6,866	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	657,242	-
Food service operations.	527,275	-	-	-
Non-public schools	-	-	-	-
Other purposes	-	26,603	-	-
Student activities.	-	-	-	245,597
Unassigned (deficits)	-	-	-	-
Total fund balances (deficits)	<u>534,141</u>	<u>26,603</u>	<u>657,242</u>	<u>245,597</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 587,267</u>	<u>\$ 26,603</u>	<u>\$ 820,087</u>	<u>\$ 250,893</u>

<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>	<u>IDEA, Part B</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>IDEA Preschool - Handicapped</u>	<u>Improving Teacher Quality</u>
\$ 127,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	3,197	147,499	3,663	163,338	15,416	35,025
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 127,383</u>	<u>\$ 3,197</u>	<u>\$ 147,499</u>	<u>\$ 3,663</u>	<u>\$ 163,338</u>	<u>\$ 15,416</u>	<u>\$ 35,025</u>
\$ 97,345	\$ 92	\$ 195	\$ -	\$ -	\$ 11,666	\$ 1,429
14,931	-	75,439	-	115,515	2,599	15,355
1,610	-	14,406	-	13,980	343	1,762
143	-	812	-	1,145	35	164
-	-	43,084	3,663	32,669	758	16,316
<u>114,029</u>	<u>92</u>	<u>133,936</u>	<u>3,663</u>	<u>163,309</u>	<u>15,401</u>	<u>35,026</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,197	147,499	-	163,338	15,416	35,025
-	3,197	147,499	-	163,338	15,416	35,025
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,354	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(92)	(133,936)	-	(163,309)	(15,401)	(35,026)
<u>13,354</u>	<u>(92)</u>	<u>(133,936)</u>	<u>-</u>	<u>(163,309)</u>	<u>(15,401)</u>	<u>(35,026)</u>
<u>\$ 127,383</u>	<u>\$ 3,197</u>	<u>\$ 147,499</u>	<u>\$ 3,663</u>	<u>\$ 163,338</u>	<u>\$ 15,416</u>	<u>\$ 35,025</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2019

	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 3,814	\$ 1,543,310
Receivables:		
Property taxes		233,834
Intergovernmental.	8,875	377,013
Materials and supplies inventory	-	6,866
Inventory held for resale.	-	32,037
	<u>12,689</u>	<u>2,193,060</u>
Total assets.	<u>\$ 12,689</u>	<u>\$ 2,193,060</u>
Liabilities:		
Accounts payable	-	\$ 122,472
Accrued wages and benefits payable.	7,825	231,664
Pension and postemployment benefits payable	1,096	79,874
Intergovernmental payable.	113	2,412
Interfund loans payable.	-	96,490
	<u>9,034</u>	<u>532,912</u>
Total liabilities.	<u>9,034</u>	<u>532,912</u>
Deferred inflows of resources:		
Property taxes levied for the next fiscal year	-	156,135
Delinquent property tax revenue not available	-	6,710
Intergovernmental revenue not available	8,875	373,350
	<u>8,875</u>	<u>536,195</u>
Total deferred inflows of resources	<u>8,875</u>	<u>536,195</u>
Fund balances:		
Nonspendable:		
Materials and supplies inventory	-	6,866
Restricted:		
Classroom facilities maintenance	-	657,242
Food service operations.	-	527,275
Non-public schools	-	13,354
Other purposes	-	26,603
Student activities.	-	245,597
Unassigned (deficits)	<u>(5,220)</u>	<u>(352,984)</u>
Total fund balances (deficits)	<u>(5,220)</u>	<u>1,123,953</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,689</u>	<u>\$ 2,193,060</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Food Service</u>	<u>Other Grants</u>	<u>Classroom Facilities Maintenance</u>	<u>District Managed Student Activities</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ 214,001	\$ -
Earnings on investments	10,603	-	-	-
Charges for services	725,520	-	-	-
Extracurricular	-	-	-	354,416
Rental income	-	-	-	6,520
Contributions and donations	-	-	-	5,263
Other local revenues	139	-	-	40,944
Intergovernmental - intermediate	-	60,000	-	-
Intergovernmental - state	13,410	-	26,167	-
Intergovernmental - federal	893,357	-	-	-
Total revenues	<u>1,643,029</u>	<u>60,000</u>	<u>240,168</u>	<u>407,143</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	61,599	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	984	-	43,536
Administration	-	-	-	-
Fiscal	-	-	3,344	-
Operations and maintenance	-	-	-	-
Operation of non-instructional services:				
Food service operations	1,636,515	-	-	-
Extracurricular activities	-	-	-	276,679
Total expenditures	<u>1,636,515</u>	<u>62,583</u>	<u>3,344</u>	<u>320,215</u>
 Net change in fund balances	 6,514	 (2,583)	 236,824	 86,928
Fund balances (deficits) at beginning of fiscal year . . .	<u>527,627</u>	<u>29,186</u>	<u>420,418</u>	<u>158,669</u>
Fund balances (deficits) at end of fiscal year	<u>\$ 534,141</u>	<u>\$ 26,603</u>	<u>\$ 657,242</u>	<u>\$ 245,597</u>

<u>Auxiliary Services</u>	<u>Miscellaneous State Grants</u>	<u>IDEA, Part B</u>	<u>Limited English Proficiency</u>	<u>Title I Disadvantaged Children</u>	<u>IDEA Preschool - Handicapped</u>	<u>Improving Teacher Quality</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,088	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
527,447	-	-	-	-	-	-
-	-	905,349	22,157	857,308	35,453	130,718
<u>530,535</u>	<u>-</u>	<u>905,349</u>	<u>22,157</u>	<u>857,308</u>	<u>35,453</u>	<u>130,718</u>
365,059	92	-	-	-	-	-
23,167	-	726,346	10,958	873,938	31,703	-
154,235	-	58,267	-	-	-	-
-	-	-	-	-	-	145,666
40,400	-	161,788	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>582,861</u>	<u>92</u>	<u>946,401</u>	<u>10,958</u>	<u>873,938</u>	<u>31,703</u>	<u>145,666</u>
(52,326)	(92)	(41,052)	11,199	(16,630)	3,750	(14,948)
65,680	-	(92,884)	(11,199)	(146,679)	(19,151)	(20,078)
<u>\$ 13,354</u>	<u>\$ (92)</u>	<u>\$ (133,936)</u>	<u>\$ -</u>	<u>\$ (163,309)</u>	<u>\$ (15,401)</u>	<u>\$ (35,026)</u>

-- (Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues:		
From local sources:		
Property taxes.	\$ -	\$ 214,001
Earnings on investments.	-	13,691
Charges for services	-	725,520
Extracurricular	-	354,416
Rental income.	-	6,520
Contributions and donations.	-	5,263
Other local revenues.	-	41,083
Intergovernmental - intermediate.		60,000
Intergovernmental - state	20,962	587,986
Intergovernmental - federal	71,369	2,915,711
Total revenues	<u>92,331</u>	<u>4,924,191</u>
Expenditures:		
Current:		
Instruction:		
Regular.	3,356	430,106
Special	-	1,666,112
Support services:		
Pupil	72,278	284,780
Instructional staff	-	190,186
Administration	-	161,788
Fiscal	-	43,744
Operations and maintenance.	17,449	17,449
Operation of non-instructional services:		
Food service operations	-	1,636,515
Extracurricular activities.	-	276,679
Total expenditures	<u>93,083</u>	<u>4,707,359</u>
Net change in fund balances	(752)	216,832
Fund balances (deficits) at beginning of fiscal year. . .	<u>(4,468)</u>	<u>907,121</u>
Fund balances (deficits) at end of fiscal year	<u>\$ (5,220)</u>	<u>\$ 1,123,953</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Permanent Improvement	Building	Total Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,331,213	\$ 388,629	\$ 2,719,842
Investments.	-	1,908,825	1,908,825
Receivables:			
Accrued interest	-	4,863	4,863
Total assets.	\$ 2,331,213	\$ 2,302,317	\$ 4,633,530
Liabilities:			
Accounts payable.	\$ 77,881	\$ -	\$ 77,881
Contracts payable.	-	177,364	177,364
Retainage payable.	-	20,292	20,292
Total liabilities	77,881	197,656	275,537
Deferred inflows of resources:			
Accrued interest not available	-	4,328	4,328
Total deferred inflows of resources.	-	4,328	4,328
Fund balances:			
Committed:			
Capital improvements	2,253,332	2,100,333	4,353,665
Total fund balances	2,253,332	2,100,333	4,353,665
Total liabilities and fund balances	\$ 2,331,213	\$ 2,302,317	\$ 4,633,530

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
From local sources:			
Earnings on investments	\$ -	\$ 56,692	\$ 56,692
Other local revenues	20,000	-	20,000
Change in fair value of investments	-	18,377	18,377
Total revenues	<u>20,000</u>	<u>75,069</u>	<u>95,069</u>
Expenditures:			
Current:			
Support services:			
Fiscal	-	2,173	2,173
Operations and maintenance	45,367	-	45,367
Pupil transportation.	233,237	-	233,237
Central	48,994	-	48,994
Facilities acquisition and construction	454,903	933,077	1,387,980
Total expenditures.	<u>782,501</u>	<u>935,250</u>	<u>1,717,751</u>
Excess of expenditures over revenues	<u>(762,501)</u>	<u>(860,181)</u>	<u>(1,622,682)</u>
Other financing sources:			
Transfers in	2,175,000	-	2,175,000
Total other financing sources	<u>2,175,000</u>	<u>-</u>	<u>2,175,000</u>
Net change in fund balances.	1,412,499	(860,181)	552,318
Fund balances at beginning of fiscal year. . .	840,833	2,960,514	3,801,347
Fund balances at end of fiscal year	<u>\$ 2,253,332</u>	<u>\$ 2,100,333</u>	<u>\$ 4,353,665</u>

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

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total revenues and other sources	\$ 1,416,600	\$ 1,450,000	\$ 1,516,254	\$ 66,254
Total expenditures and other uses	<u>1,955,886</u>	<u>1,989,286</u>	<u>1,516,234</u>	<u>473,052</u>
Net change in fund balance	(539,286)	(539,286)	20	539,306
Fund balance at beginning of fiscal year	529,959	529,959	529,959	-
Prior year encumbrances appropriated	<u>9,327</u>	<u>9,327</u>	<u>9,327</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 539,306</u>	<u>\$ 539,306</u>
Other Grants				
Total revenues and other sources	\$ 103,000	\$ 75,000	\$ 60,000	\$ (15,000)
Total expenditures and other uses	<u>132,366</u>	<u>104,366</u>	<u>65,579</u>	<u>38,787</u>
Net change in fund balance	(29,366)	(29,366)	(5,579)	23,787
Fund balance at beginning of fiscal year	28,997	28,997	28,997	-
Prior year encumbrances appropriated	<u>369</u>	<u>369</u>	<u>369</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,787</u>	<u>\$ 23,787</u>
Classroom Facilities Maintenance				
Total revenues and other sources	\$ 227,500	\$ 250,000	\$ 246,245	\$ (3,755)
Total expenditures and other uses	<u>570,852</u>	<u>593,352</u>	<u>3,344</u>	<u>590,008</u>
Net change in fund balance	(343,352)	(343,352)	242,901	586,253
Fund balance at beginning of fiscal year	<u>343,352</u>	<u>343,352</u>	<u>343,352</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,253</u>	<u>\$ 586,253</u>
District Managed Student Activities				
Total revenues and other sources	\$ 288,200	\$ 415,000	\$ 407,143	\$ (7,857)
Total expenditures and other uses	<u>452,736</u>	<u>579,536</u>	<u>332,064</u>	<u>247,472</u>
Net change in fund balance	(164,536)	(164,536)	75,079	239,615
Fund balance at beginning of fiscal year	150,390	150,390	150,390	-
Prior year encumbrances appropriated	<u>14,146</u>	<u>14,146</u>	<u>14,146</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,615</u>	<u>\$ 239,615</u>

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

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Auxiliary Services				
Total revenues and other sources	\$ 451,000	\$ 540,000	\$ 530,535	\$ (9,465)
Total expenditures and other uses	634,500	723,500	697,173	26,327
Net change in fund balance	(183,500)	(183,500)	(166,638)	16,862
Fund balance at beginning of fiscal year	38,267	38,267	38,267	-
Prior year encumbrances appropriated	145,233	145,233	145,233	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,862</u>	<u>\$ 16,862</u>
Data Communication				
Total revenues and other sources	\$ 7,200	\$ -	-	\$ -
Total expenditures and other uses	7,200	-	-	-
Net change in fund balance	-	-	-	-
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous State Grants				
Total revenues and other sources	\$ -	\$ 155,300	\$ -	\$ (155,300)
Total expenditures and other uses	-	155,300	200	155,100
Net change in fund balance	-	-	(200)	(200)
Fund balance at beginning of fiscal year	-	-	-	-
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200)</u>	<u>\$ (200)</u>
IDEA, Part B				
Total revenues and other sources	\$ 1,196,919	\$ 1,200,000	\$ 1,035,285	\$ (164,715)
Total expenditures and other uses	1,066,983	1,070,064	950,180	119,884
Net change in fund balance	129,936	129,936	85,105	(44,831)
Fund balance (deficit) at beginning of fiscal year	(130,105)	(130,105)	(130,105)	-
Prior year encumbrances appropriated	169	169	169	-
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,831)</u>	<u>\$ (44,831)</u>

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

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Limited English Proficiency				
Total revenues and other sources	\$ 29,708	\$ 35,000	\$ 22,273	\$ (12,727)
Total expenditures and other uses	<u>25,929</u>	<u>31,221</u>	<u>22,408</u>	<u>8,813</u>
Net change in fund balance	3,779	3,779	(135)	(3,914)
Fund balance (deficit) at beginning of fiscal year	(15,041)	(15,041)	(15,041)	-
Prior year encumbrances appropriated	<u>11,262</u>	<u>11,262</u>	<u>11,262</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,914)</u>	<u>\$ (3,914)</u>
Title I Disadvantaged Children				
Total revenues and other sources	\$ 890,134	\$ 1,100,000	\$ 999,615	\$ (100,385)
Total expenditures and other uses	<u>747,827</u>	<u>957,693</u>	<u>889,977</u>	<u>67,716</u>
Net change in fund balance	142,307	142,307	109,638	(32,669)
Fund balance (deficit) at beginning of fiscal year	(144,211)	(144,211)	(144,211)	-
Prior year encumbrances appropriated	<u>1,904</u>	<u>1,904</u>	<u>1,904</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,669)</u>	<u>\$ (32,669)</u>
IDEA Preschool - Handicapped				
Total revenues and other sources	\$ 51,200	\$ 70,000	\$ 35,453	\$ (34,547)
Total expenditures and other uses	<u>51,200</u>	<u>70,000</u>	<u>48,026</u>	<u>21,974</u>
Net change in fund balance	-	-	(12,573)	(12,573)
Fund balance (deficit) at beginning of fiscal year	(18,433)	(18,433)	(18,433)	-
Prior year encumbrances appropriated	<u>18,433</u>	<u>18,433</u>	<u>18,433</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,573)</u>	<u>\$ (12,573)</u>
Improving Teacher Quality				
Total revenues and other sources	\$ 158,505	\$ 170,000	\$ 147,578	\$ (22,422)
Total expenditures and other uses	<u>141,645</u>	<u>153,140</u>	<u>151,662</u>	<u>1,478</u>
Net change in fund balance	16,860	16,860	(4,084)	(20,944)
Fund balance (deficit) at beginning of fiscal year	(16,939)	(16,939)	(16,939)	-
Prior year encumbrances appropriated	<u>79</u>	<u>79</u>	<u>79</u>	<u>-</u>
Fund balance (deficit) at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (20,944)</u>	<u>\$ (20,944)</u>

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

SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 156,706	\$ 115,500	\$ 107,471	\$ (8,029)
Total expenditures and other uses	141,566	100,360	88,517	11,843
Net change in fund balance	15,140	15,140	18,954	3,814
Fund balance (deficit) at beginning of fiscal year	(15,140)	(15,140)	(15,140)	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,814</u>	<u>\$ 3,814</u>
Public School Support				
Total revenues and other sources	\$ 78,500	\$ 120,000	\$ 121,006	\$ 1,006
Total expenditures and other uses	150,256	191,756	116,020	75,736
Net change in fund balance	(71,756)	(71,756)	4,986	76,742
Fund balance at beginning of fiscal year	66,631	66,631	66,631	-
Prior year encumbrances appropriated	5,125	5,125	5,125	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,742</u>	<u>\$ 76,742</u>
Permanent Improvement				
Total revenues and other sources	\$ 2,185,000	\$ 2,200,000	\$ 2,195,000	\$ (5,000)
Total expenditures and other uses	3,094,952	1,404,134	900,320	503,814
Net change in fund balance	(909,952)	795,866	1,294,680	498,814
Fund balance at beginning of fiscal year	505,818	505,818	505,818	-
Prior year encumbrances appropriated	404,134	404,134	404,134	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ 1,705,818</u>	<u>\$ 2,204,632</u>	<u>\$ 498,814</u>
Building				
Total revenues and other sources	\$ 20,000	\$ 52,000	\$ 56,709	\$ 4,709
Total expenditures and other uses	2,998,838	3,030,838	742,711	2,288,127
Net change in fund balance	(2,978,838)	(2,978,838)	(686,002)	2,292,836
Fund balance at beginning of fiscal year	2,969,422	2,969,422	2,969,422	-
Prior year encumbrances appropriated	9,416	9,416	9,416	-
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,292,836</u>	<u>\$ 2,292,836</u>

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

FUND DESCRIPTION - INTERNAL SERVICE FUND

Internal Service Fund

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

Employee Benefits Self-Insurance Fund

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Employee Benefits Self-Insurance				
Total revenues and nonoperating revenues	\$ 5,274,800	\$ 5,500,000	\$ 5,767,823	\$ 267,823
Total expenses and nonoperating expenses	<u>7,723,130</u>	<u>7,948,330</u>	<u>5,864,432</u>	<u>2,083,898</u>
Net change in fund balance	(2,448,330)	(2,448,330)	(96,609)	2,351,721
Fund balance at beginning of fiscal year	2,436,462	2,436,462	2,436,462	-
Prior year encumbrances appropriated	<u>11,868</u>	<u>11,868</u>	<u>11,868</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,721</u>	<u>\$ 2,351,721</u>

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

FUND DESCRIPTION - FIDUCIARY FUNDS

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results.

Private-Purpose Trust Fund

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Fund

Student Activity Fund

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Scholarship Trust				
Total revenues and nonoperating revenues	\$ 15,650	\$ 16,000	\$ 15,289	\$ (711)
Total expenses and nonoperating expenses	<u>41,118</u>	<u>41,468</u>	<u>12,500</u>	<u>28,968</u>
Net change in fund balance	(25,468)	(25,468)	2,789	28,257
Fund balance at beginning of fiscal year	15,468	15,468	15,468	-
Prior year encumbrances appropriated	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Fund balance at end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,257</u>	<u>\$ 28,257</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2019</u>
Student Activity				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 29,517	\$ 31,813	\$ 23,192	\$ 38,138
Total assets	<u>\$ 29,517</u>	<u>\$ 31,813</u>	<u>\$ 23,192</u>	<u>\$ 38,138</u>
Liabilities:				
Due to students	\$ 29,517	\$ 31,813	\$ 23,192	\$ 38,138
Total liabilities.	<u>\$ 29,517</u>	<u>\$ 31,813</u>	<u>\$ 23,192</u>	<u>\$ 38,138</u>

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STATISTICAL SECTION

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

STATISTICAL SECTION

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

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Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	144-157
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	158-163
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	164-168
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	169-170
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	172-183

Sources: Sources are noted on the individual schedules.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017 (D)</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 24,595,824	\$ 16,977,899	\$ 13,151,099	\$ 12,167,675
Restricted	19,432,718	23,867,178	24,460,893	1,097,050
Unrestricted (deficit)	(4,544,019)	(13,972,680)	(38,772,388)	(22,262,911)
Total governmental activities net position	<u>\$ 39,484,523</u>	<u>\$ 26,872,397</u>	<u>\$ (1,160,396)</u>	<u>\$ (8,998,186)</u>
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Unrestricted (deficit)	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government				
Net investment in capital assets	\$ 24,595,824	\$ 16,977,899	\$ 13,151,099	\$ 12,167,675
Restricted	19,432,718	23,867,178	24,460,893	1,097,050
Unrestricted (deficit)	(4,544,019)	(13,972,680)	(38,772,388)	(22,262,911)
Total primary government net position	<u>\$ 39,484,523</u>	<u>\$ 26,872,397</u>	<u>\$ (1,160,396)</u>	<u>\$ (8,998,186)</u>

Source: District financial records.

- (A) Net position of the governmental and business-type activities were restated at June 30, 2011.
- (B) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.
Amounts for 2012 have been restated to reflect the implementation of GASB Statement No. 65.
- (C) Net position of the governmental activities was restated at June 30, 2014.
- (D) Net position of the governmental activities was restated at June 30, 2017.

<u>2015</u>	<u>2014 (C)</u>	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
\$ 10,574,258	\$ 9,103,144	\$ 7,861,374	\$ 6,648,924	\$ 6,298,927	\$ 5,650,573
1,501,423	2,081,603	1,999,758	4,488,963	4,511,058	4,434,011
(27,992,807)	(32,139,646)	14,165,040	9,724,105	8,843,170	6,561,256
<u>\$ (15,917,126)</u>	<u>\$ (20,954,899)</u>	<u>\$ 24,026,172</u>	<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,645,840</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,815
-	-	-	-	-	97,606
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,421</u>
\$ 10,574,258	\$ 9,103,144	\$ 7,861,374	\$ 6,648,924	\$ 6,298,927	\$ 5,753,388
1,501,423	2,081,603	1,999,758	4,488,963	4,511,058	4,434,011
(27,992,807)	(32,139,646)	14,165,040	9,724,105	8,843,170	6,658,862
<u>\$ (15,917,126)</u>	<u>\$ (20,954,899)</u>	<u>\$ 24,026,172</u>	<u>\$ 20,861,992</u>	<u>\$ 19,653,155</u>	<u>\$ 16,846,261</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 15,809,056	\$ 9,108,175	\$ 19,805,946	\$ 17,466,877
Special	6,828,398	4,005,762	6,281,130	4,994,345
Vocational	899,017	544,641	846,734	453,369
Other instructional	-	-	939,639	889,569
Support services:				
Pupil	2,375,375	1,383,677	2,459,053	2,052,568
Instructional staff	664,202	436,533	956,758	525,728
Board of education	100,763	70,566	48,200	113,364
Administration	3,589,014	1,697,216	3,663,989	3,284,110
Fiscal	1,420,516	1,164,540	1,451,171	1,170,741
Business	-	-	7,822	7,931
Operations and maintenance	3,833,032	2,466,491	4,049,666	4,374,364
Pupil transportation	3,394,242	1,656,752	2,913,993	2,821,177
Central	854,161	520,722	743,743	436,075
Operation of non-instructional services	233	233,510	132,353	53,157
Food service operations	1,649,686	1,532,940	1,556,061	1,546,544
Extracurricular activities	1,060,949	301,365	1,197,022	999,173
Interest and fiscal charges	3,012,312	2,974,377	2,615,759	2,242,809
Bond issuance costs	-	-	-	-
Note issuance costs	-	-	-	-
Total governmental activities expenses	<u>45,490,956</u>	<u>28,097,267</u>	<u>49,669,039</u>	<u>43,431,901</u>
Business-type activities:				
Food service	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 45,490,956</u>	<u>\$ 28,097,267</u>	<u>\$ 49,669,039</u>	<u>\$ 43,431,901</u>

	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
\$	17,862,859	\$ 16,982,796	\$ 16,024,742	\$ 15,637,136	\$ 16,452,249	\$ 15,278,518
	4,784,323	4,587,635	3,801,713	3,710,163	4,023,824	3,800,772
	306,838	344,468	403,755	413,484	475,595	626,461
	813,046	645,060	401,132	312,101	410,222	1,064
	1,983,282	1,955,527	1,880,776	1,910,469	2,156,770	2,051,878
	766,756	464,750	1,135,974	1,280,192	1,766,319	1,800,144
	108,727	73,218	253,599	150,839	170,357	368,594
	3,080,519	2,987,841	2,887,717	2,768,846	2,902,533	2,716,355
	1,010,172	920,495	921,473	907,327	933,943	795,708
	7,888	8,704	9,244	-	-	-
	3,843,310	3,901,532	3,614,353	4,033,281	4,439,809	3,932,395
	2,800,410	2,664,158	2,499,073	2,593,268	2,643,485	2,406,878
	410,400	476,904	417,836	263,107	366,207	214,195
	202,238	217,759	366,315	216,305	18,912	18,912
	1,224,491	1,205,625	1,216,080	1,185,011	1,143,055	-
	917,441	1,000,673	895,645	895,730	1,009,434	929,787
	2,833,837	2,864,756	2,938,706	3,108,519	3,036,205	3,045,818
	-	-	123,891	-	-	-
	-	8,184	-	-	-	-
	<u>42,956,537</u>	<u>41,310,085</u>	<u>39,792,024</u>	<u>39,385,778</u>	<u>41,948,919</u>	<u>37,987,479</u>
	-	-	-	-	-	1,202,060
	-	-	-	-	-	1,202,060
\$	<u>42,956,537</u>	<u>41,310,085</u>	<u>39,792,024</u>	<u>39,385,778</u>	<u>41,948,919</u>	<u>39,189,539</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Program Revenues				
Governmental activities:				
Charges for services and sales:				
Instruction:				
Regular	\$ 856,118	\$ 953,640	\$ 721,983	\$ 850,631
Special	274,454	239,988	45,642	135,566
Support services:				
Instructional staff	49,072	56,885	-	-
Operations and maintenance	48,396	65,183	140,490	150,511
Pupil transportation	294	60,369	66,872	51,585
Food service operations	725,520	712,137	709,480	702,934
Extracurricular activities	624,582	604,145	631,820	611,306
Operating grants and contributions:				
Instruction:				
Regular	398,066	179,242	828,078	425,704
Special	4,492,408	4,225,870	2,897,209	2,734,735
Vocational	355,569	334,107	289,210	69,192
Other instructional	-	-	618,647	523,129
Support services:				
Pupil	275,736	218,024	108,576	109,220
Instructional staff	156,194	147,597	376,226	48,307
Administration	164,934	155,466	21,199	156,784
Fiscal	36,773	-	30,870	-
Operations and maintenance	18,335	-	-	-
Pupil transportation	1,253,598	1,207,402	1,184,563	1,211,002
Central	-	-	7,200	-
Operation of non-instructional services	-	-	15,512	-
Food service operations	917,509	817,678	820,015	883,578
Extracurricular activities	39,925	11,570	1,015	7,675
Capital grants and contributions:				
Instruction:				
Regular	273,484	119,970	11,644	13,600
Support services:				
Pupil transportation	-	-	-	-
Extracurricular activities	-	10,400	9,800	-
Total governmental program revenues	<u>10,960,967</u>	<u>10,119,673</u>	<u>9,536,051</u>	<u>8,685,459</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>\$ 10,960,967</u>	<u>\$ 10,119,673</u>	<u>\$ 9,536,051</u>	<u>\$ 8,685,459</u>
Net (Expense)/Revenue				
Governmental activities	\$ (34,529,989)	\$ (17,977,594)	\$ (40,132,988)	\$ (34,746,442)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (34,529,989)</u>	<u>\$ (17,977,594)</u>	<u>\$ (40,132,988)</u>	<u>\$ (34,746,442)</u>

	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
\$	720,193	\$ 706,503	\$ 305,795	\$ 298,250	\$ 297,258	\$ 304,546
	146,950	104,818	32,056	53,750	28,158	40,721
	-	-	-	-	-	-
	114,820	103,188	93,509	69,843	67,623	68,405
	60,629	73,807	63,032	55,534	85,064	-
	632,506	620,849	647,616	659,750	725,065	-
	652,919	655,446	638,614	673,614	582,815	530,235
	1,092,343	640,892	322,947	251,895	1,479,421	639,182
	2,659,293	2,355,892	1,591,557	1,556,394	1,779,573	1,124,515
	66,852	35,205	186,301	186,301	186,301	184,914
	468,145	264,189	270,474	160,007	182,456	-
	105,220	106,780	175,155	139,148	195,216	247,860
	312,740	128,632	265,184	251,516	362,842	356,372
	142,263	147,264	94,110	202,695	652,679	525,559
	24,499	-	24,164	-	12,314	30,317
	4,010	-	-	11,141	-	-
	997,500	901,447	8,172	-	-	-
	7,200	7,200	7,200	7,200	14,100	9,145
	-	-	-	-	-	-
	704,441	651,722	612,194	572,119	540,936	-
	23,090	8,174	2,043	398	7,100	34,081
	-	11,534	-	-	-	-
	11,285	-	-	-	-	-
	-	-	-	-	-	-
	<u>8,946,898</u>	<u>7,523,542</u>	<u>5,340,123</u>	<u>5,149,555</u>	<u>7,198,921</u>	<u>4,095,852</u>
	-	-	-	-	-	742,323
	-	-	-	-	-	528,128
	-	-	-	-	-	<u>1,270,451</u>
\$	<u>8,946,898</u>	<u>7,523,542</u>	<u>5,340,123</u>	<u>5,149,555</u>	<u>7,198,921</u>	<u>5,366,303</u>
\$	(34,009,639)	(33,786,543)	(34,451,901)	(34,236,223)	(34,749,998)	(33,891,627)
	-	-	-	-	-	68,391
\$	<u>(34,009,639)</u>	<u>(33,786,543)</u>	<u>(34,451,901)</u>	<u>(34,236,223)</u>	<u>(34,749,998)</u>	<u>(33,823,236)</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 16,303,751	\$ 17,230,194	\$ 16,002,272	\$ 15,718,560
Classroom facilities	213,109	220,435	175,931	-
Debt service	4,785,856	4,843,623	4,382,955	4,092,826
Income taxes levied for:				
General purposes	5,070,959	4,799,275	4,386,632	4,248,513
Payment in lieu of taxes	750,197	501,301	577,646	498,231
Grants and entitlements not restricted to specific programs	18,705,658	18,153,228	17,584,865	16,561,092
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	18,803,806	-
Investment earnings	723,666	419,386	226,975	323,317
Win-win settlement	-	-	-	-
Miscellaneous	236,073	118,311	326,694	222,843
Change in fair value of investments	352,846	(275,366)	-	-
Total governmental activities	<u>47,142,115</u>	<u>46,010,387</u>	<u>62,467,776</u>	<u>41,665,382</u>
Business-type activities:				
Investment earnings	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 47,142,115</u>	<u>\$ 46,010,387</u>	<u>\$ 62,467,776</u>	<u>\$ 41,665,382</u>
Change in Net Position				
Governmental activities	\$ 12,612,126	\$ 28,032,793	\$ 22,334,788	\$ 6,918,940
Business-type activities	-	-	-	-
Total primary government	<u>\$ 12,612,126</u>	<u>\$ 28,032,793</u>	<u>\$ 22,334,788</u>	<u>\$ 6,918,940</u>

Source: District financial records.

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

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

	<u>2015</u>	<u>2014</u>	<u>2013 (B)</u>	<u>2012 (B)</u>	<u>2011 (A)</u>	<u>2010</u>
\$	14,678,810	\$ 15,523,145	\$ 14,512,634	\$ 14,635,011	\$ 15,252,942	\$ 14,625,495
	17,263	156,454	147,404	147,824	147,371	154,578
	4,027,129	3,877,108	3,740,086	3,608,044	3,350,737	3,363,747
	3,993,177	3,668,255	3,636,920	3,179,827	3,911,298	2,968,716
	501,246	258,647	248,668	244,242	454,264	-
	15,471,785	14,538,736	14,452,698	14,332,282	14,318,122	15,169,153
	-	-	-	-	-	-
	126,405	25,098	37,645	34,728	28,396	49,898
	-	320,585	641,170	-	-	-
	231,597	125,586	198,856	103,394	93,762	260,579
	-	-	-	-	-	-
	<u>39,047,412</u>	<u>38,493,614</u>	<u>37,616,081</u>	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,166</u>
	-	-	-	-	-	129
	-	-	-	-	-	129
\$	<u>39,047,412</u>	<u>38,493,614</u>	<u>37,616,081</u>	<u>36,285,352</u>	<u>37,556,892</u>	<u>36,592,295</u>
\$	5,037,773	\$ 4,707,071	\$ 3,164,180	\$ 2,049,129	\$ 2,806,894	\$ 2,700,539
	-	-	-	-	-	68,520
\$	<u>5,037,773</u>	<u>4,707,071</u>	<u>3,164,180</u>	<u>2,049,129</u>	<u>2,806,894</u>	<u>2,769,059</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:				
Nonspendable	\$ 46,388	\$ 38,583	\$ 32,277	\$ 34,036
Assigned	2,492,670	205,175	580,942	3,962,100
Unassigned	30,805,072	27,713,138	21,215,732	20,676,353
Reserved	-	-	-	-
Unreserved	-	-	-	-
	<u>33,344,130</u>	<u>27,956,896</u>	<u>21,828,951</u>	<u>24,672,489</u>
Total general fund	<u>\$ 33,344,130</u>	<u>\$ 27,956,896</u>	<u>\$ 21,828,951</u>	<u>\$ 24,672,489</u>
All Other Governmental Funds:				
Nonspendable	\$ 6,866	\$ 6,020	\$ 3,163	\$ 3,573
Restricted	14,439,945	13,598,197	10,093,609	5,402,223
Committed	4,353,665	3,653,294	3,396,824	271,795
Reserved	-	-	-	-
Unassigned, reported in:				
Special revenue funds	(352,984)	(294,459)	(232,147)	(83,148)
Capital projects funds	-	-	-	-
	<u>18,447,492</u>	<u>16,963,052</u>	<u>13,261,449</u>	<u>5,594,443</u>
Total all other governmental funds	<u>18,447,492</u>	<u>16,963,052</u>	<u>13,261,449</u>	<u>5,594,443</u>
Total governmental funds	<u>\$ 51,791,622</u>	<u>\$ 44,919,948</u>	<u>\$ 35,090,400</u>	<u>\$ 30,266,932</u>

Source: District financial records.

Note: The District implemented GASB 54 in 2011.

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>
\$ -	\$ -	\$ -	\$ -	\$ 499,198	\$ -
629,682	3,199,315	2,076,944	1,166,397	455,384	-
19,508,215	13,223,605	10,019,984	8,625,167	6,274,407	-
-	-	-	-	-	5,853,953
-	-	-	-	-	(107,141)
<u>\$ 20,137,897</u>	<u>\$ 16,422,920</u>	<u>\$ 12,096,928</u>	<u>\$ 9,791,564</u>	<u>\$ 7,228,989</u>	<u>\$ 5,746,812</u>
\$ 6,267	\$ 15,051	\$ 14,138	\$ 9,915	\$ -	\$ -
4,805,743	4,998,883	4,666,817	5,303,390	4,028,982	-
158,195	69,682	58,148	58,148	58,148	-
-	-	-	-	-	2,646,836
-	(122,155)	(94,229)	-	-	803,406
-	-	-	-	-	810,860
<u>4,970,205</u>	<u>4,961,461</u>	<u>4,644,874</u>	<u>5,371,453</u>	<u>4,087,130</u>	<u>4,261,102</u>
<u>\$ 25,108,102</u>	<u>\$ 21,384,381</u>	<u>\$ 16,741,802</u>	<u>\$ 15,163,017</u>	<u>\$ 11,316,119</u>	<u>\$ 10,007,914</u>

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues				
From local sources:				
Property taxes	\$ 21,395,985	\$ 22,364,287	\$ 20,603,396	\$ 19,789,562
Income taxes	5,025,408	4,752,742	4,358,337	4,244,871
Taxes (A)	-	-	-	-
Payment in lieu of taxes	750,197	501,301	577,646	498,231
Tuition	1,012,854	1,065,745	671,360	790,625
Transportation fees	294	60,369	66,872	51,585
Earnings on investments	917,172	538,323	240,601	321,127
Charges for services	725,520	712,137	709,480	702,934
Classroom materials and fees	117,718	127,883	94,940	194,648
Extracurricular	668,095	659,655	631,820	611,306
Rental income	54,916	66,558	141,815	152,486
Contributions and donations	16,117	11,326	6,815	13,175
Other local revenues	285,341	131,251	388,659	332,232
Intergovernmental - intermediate	60,000	-	-	-
Intergovernmental - state	29,740,273	25,997,175	22,175,461	20,210,245
Intergovernmental - federal	3,470,568	3,034,547	2,407,534	2,543,512
Change in fair value of investments	398,807	(275,366)	-	-
Total revenues	<u>64,639,265</u>	<u>59,747,933</u>	<u>53,074,736</u>	<u>50,456,539</u>
Expenditures				
Current:				
Instruction:				
Regular	17,182,337	17,545,572	17,664,944	17,674,893
Special	7,285,853	7,156,470	5,726,552	5,077,933
Vocational	946,089	1,056,676	766,023	445,883
Other	-	-	849,526	920,109
Current:				
Pupil	2,525,274	2,323,994	2,248,668	2,041,883
Instructional staff	730,608	781,223	861,753	487,011
Board of education	101,833	77,517	108,341	114,888
Administration	3,928,520	3,497,232	3,331,438	3,255,594
Fiscal	1,448,239	1,408,186	1,391,483	1,180,136
Business	-	-	7,127	7,915
Operations and maintenance	3,425,781	3,595,278	3,847,788	3,995,026
Pupil transportation	3,585,979	2,749,727	2,682,117	2,638,131
Central	870,902	802,528	694,644	438,158
Operation of non-instructional services:				
Other non-instructional services	233	1,351	124,412	54,748
Food service operations	1,636,515	1,548,269	1,644,794	1,551,154
Extracurricular activities	1,107,325	1,012,845	1,085,364	934,741
Facilities acquisitions and construction	7,586,482	1,185,318	-	396,942
Capital outlay	-	57,207	-	-
Debt service:				
Principal retirement	2,825,625	3,282,994	3,100,665	2,507,073
Interest and fiscal charges	1,324,996	1,333,205	1,403,619	1,590,426
Bond issuance costs	-	-	-	412,160
Note issuance costs	-	-	-	-
Accretion on capital appreciation bonds	1,255,000	560,000	712,010	-
Total expenditures	<u>57,767,591</u>	<u>49,975,592</u>	<u>48,251,268</u>	<u>45,724,804</u>

	2015	2014	2013	2012	2011	2010
\$	18,825,349	\$ 19,658,485	\$ 18,608,333	\$ 18,434,138	\$ 18,811,911	\$ -
	4,005,479	3,804,665	3,611,985	3,450,748	3,232,606	-
	-	-	-	-	-	20,990,462
	501,246	258,647	248,668	244,242	454,264	-
	689,374	619,206	158,671	181,788	146,122	125,013
	60,629	73,807	63,032	55,534	85,064	56,336
	117,660	20,269	39,423	33,868	27,631	57,979
	632,506	620,849	647,616	672,597	-	-
	174,015	190,030	175,084	168,530	167,652	166,571
	652,919	655,455	639,857	676,486	583,925	529,391
	117,868	106,384	94,944	58,866	72,479	-
	36,329	14,193	36,552	5,006	11,865	-
	229,520	145,366	112,364	116,977	98,319	381,970
	-	-	-	-	-	-
	20,213,804	17,467,547	16,077,255	15,901,369	15,978,937	16,027,739
	1,943,152	2,162,338	1,731,448	2,249,947	2,555,211	2,178,849
	-	-	-	-	-	-
	48,199,850	45,797,241	42,245,232	42,250,096	42,225,986	40,514,310
	17,453,593	16,287,125	15,614,347	15,131,664	16,140,601	15,047,699
	4,778,535	4,401,928	3,702,130	3,662,751	3,967,804	3,790,609
	312,013	318,588	370,045	399,043	485,680	607,980
	835,838	617,474	402,102	315,296	414,698	1,064
	1,970,564	1,880,442	1,843,854	1,853,681	2,150,215	2,062,899
	795,047	437,132	1,079,823	1,246,547	1,765,596	1,831,800
	106,163	70,579	251,219	148,401	167,590	370,602
	3,036,032	2,939,691	2,858,772	2,720,670	2,828,609	2,669,842
	970,589	922,214	929,199	896,941	928,939	814,429
	8,029	8,791	9,092	-	-	-
	3,902,879	3,770,644	3,592,703	3,973,373	4,407,317	3,902,521
	3,400,622	2,692,650	2,607,727	2,515,817	2,665,689	2,287,317
	396,220	468,149	417,559	263,352	363,972	225,769
	203,083	136,448	232,363	219,495	-	-
	1,193,630	1,172,206	1,198,279	1,149,568	-	-
	858,918	959,119	836,985	827,321	952,449	957,907
	617,747	213,120	1,026,015	1,318,446	1,985	57,261
	-	80,045	135,167	-	91,000	-
	2,231,346	2,090,289	1,798,207	3,988,978	3,998,337	4,108,332
	2,271,449	2,325,474	2,453,820	2,630,277	2,624,872	2,698,935
	-	-	123,891	143,215	-	-
	20,835	8,184	-	-	19,478	22,135
	-	-	-	-	-	-
	45,363,132	41,800,292	41,483,299	43,404,836	43,974,831	41,457,101

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 6,871,674	\$ 9,772,341	\$ 4,823,468	\$ 4,731,735
Other Financing Sources (Uses)				
Premium on bond and notes sold	-	-	-	-
Premium on refunding bonds	-	-	-	2,465,024
Refunding bond issuance	-	-	-	35,540,000
Sale of capital assets	-	-	-	-
Bond issuance	-	-	-	-
Note issuance	-	-	-	-
Transfers in	2,453,270	707,290	12,792,570	472,663
Transfers (out)	(2,453,270)	(707,290)	(12,792,570)	(472,663)
Win-win settlement	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(37,577,929)
Capital lease transaction	-	57,207	-	-
Total other financing sources	-	57,207	-	427,095
Net change in fund balances	<u>\$ 6,871,674</u>	<u>\$ 9,829,548</u>	<u>\$ 4,823,468</u>	<u>\$ 5,158,830</u>
Capital expenditures	\$ 7,392,097	\$ 1,826,177	\$ 453,499	\$ 1,087,239
Debt service as a percentage of noncapital expenditures	8.24%	9.59%	9.42%	9.18%

Source: District financial records.

(A) Fiscal year 2010 property and income taxes are shown as a single line item.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 2,836,718	\$ 3,996,949	\$ 761,933	\$ (1,154,740)	\$ (1,748,845)	\$ (942,791)
-	-	626,659	151,638	22,455	31,815
-	-	-	-	-	-
-	-	-	-	-	-
52,003	-	49,501	-	36,690	-
-	-	5,494,997	2,670,000	-	-
835,000	245,000	-	2,180,000	2,670,000	2,870,000
122,015	187,958	189,061	34,200	-	285
(122,015)	(187,958)	(189,061)	(34,200)	-	(285)
-	320,585	641,170	-	-	-
-	-	(6,130,642)	-	-	-
-	80,045	135,167	-	91,000	-
<u>887,003</u>	<u>645,630</u>	<u>816,852</u>	<u>5,001,638</u>	<u>2,820,145</u>	<u>2,901,815</u>
\$ <u>3,723,721</u>	\$ <u>4,642,579</u>	\$ <u>1,578,785</u>	\$ <u>3,846,898</u>	\$ <u>1,071,300</u>	\$ <u>1,959,024</u>
\$ 1,716,604	\$ 854,263	\$ 1,526,562	\$ 1,542,274	\$ 504,707	\$ 271,419
10.32%	10.78%	10.64%	15.81%	15.24%	16.53%

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

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

Collection Year	Real Property (A)		Tangible Personal Property (B)		Public Utility (C)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2019	\$ 465,739,610	\$ 1,330,684,600	\$ -	\$ -	\$ 29,266,330	\$ 117,065,320
2018	450,391,990	1,286,834,257	-	-	28,807,490	115,229,960
2017	406,459,840	1,161,313,829	-	-	24,074,510	96,298,040
2016	393,092,720	1,123,122,057	-	-	23,666,310	94,665,240
2015	387,849,930	1,108,142,657	-	-	19,056,710	76,226,840
2014	394,435,230	1,126,957,800	-	-	17,657,150	70,628,600
2013	391,837,560	1,119,535,886	-	-	17,340,430	69,361,720
2012	391,015,940	1,117,188,400	-	-	16,907,470	67,629,880
2011	418,815,410	1,196,615,457	39,570	158,280	17,015,400	68,061,600
2010	422,680,650	1,207,659,000	336,304	1,345,216	15,492,790	44,265,114

Source: Franklin County Auditor's Office.

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

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

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

Total			
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%
77.19	\$ 495,005,940	\$ 1,447,749,920	34.19%
77.35	479,199,480	1,402,064,217	34.18%
79.00	430,534,350	1,257,611,869	34.23%
78.91	416,759,030	1,217,787,297	34.22%
78.90	406,906,640	1,184,369,497	34.36%
78.70	412,092,380	1,197,586,400	34.41%
79.45	409,177,990	1,188,897,606	34.42%
79.13	407,923,410	1,184,818,280	34.43%
78.16	435,870,380	1,264,835,337	34.46%
77.75	438,509,744	1,253,269,330	34.99%

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

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

	Tax Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Canal Winchester Local School District:										
Unvoted (Inside Millage) - General Operating	5.00	4.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Voted - General Operating	60.94	61.40	62.05	62.96	63.10	62.90	63.15	63.23	63.73	63.22
Voted - Bond	11.25	10.95	11.45	10.95	10.80	10.30	10.80	10.40	8.93	9.03
Voted - Classroom Facilities	0.00	0.50	0.50	0.00	0.00	0.50	0.50	0.50	0.50	0.50
Total Voted	<u>72.19</u>	<u>72.85</u>	<u>74.00</u>	<u>73.91</u>	<u>73.90</u>	<u>73.70</u>	<u>74.45</u>	<u>74.13</u>	<u>73.16</u>	<u>72.75</u>
Total	<u>77.19</u>	<u>77.35</u>	<u>79.00</u>	<u>78.91</u>	<u>78.90</u>	<u>78.70</u>	<u>79.45</u>	<u>79.13</u>	<u>78.16</u>	<u>77.75</u>
Joint Vocational School District:										
Eastland-Fairfield	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Counties:										
Fairfield County	11.40	10.40	10.40	10.40	8.55	8.55	8.55	8.55	8.55	8.55
Franklin County	18.92	17.72	18.47	18.47	18.47	17.72	18.47	17.32	17.32	17.32
Cities/Villages:										
Canal Winchester	2.00	2.00	2.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00
Columbus	2.65	3.14	2.65	2.65	3.14	3.14	5.45	3.14	3.14	3.14
Lithopolis	1.90	1.90	1.90	1.90	5.90	5.90	5.90	5.90	5.90	5.90
Pickerington	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Townships:										
Bloom	17.80	17.80	17.80	17.80	17.80	17.80	18.70	17.80	17.80	18.05
Madison	27.05	27.05	27.17	27.17	21.92	21.80	24.60	21.80	21.80	21.80
Violet	19.35	19.35	19.35	17.85	17.85	14.05	14.95	14.05	14.05	14.05

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

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

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

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2018 AND DECEMBER 31, 2009

December 31, 2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Dominion Transmission Inc.	\$ 16,785,110	1	3.39%
South Central Power	4,466,020	2	0.90%
Winchester Square LLC	4,039,710	3	0.82%
Wal-Mart Real Estate	3,500,000	4	0.71%
Propero Canal Winchester LLC	3,045,000	5	0.62%
CRI Outparcels LLC	2,545,700	6	0.51%
Waterloo Crossing Ltd.	2,305,460	7	0.47%
Lehman Village LTD	2,190,760	8	0.44%
HD Development	2,023,010	9	0.41%
W Lakes LLC	1,995,010	10	0.40%
Total	\$ 42,895,780		8.67%
Total Assessed Valuation			\$ 495,005,940

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Dominion Transmission Inc.	\$ 8,304,210	1	1.89%
Winchester Square LLC	5,256,580	2	1.20%
Waterloo Crossing LTD	4,361,160	3	0.99%
Wal-Mart Real Estate	4,263,000	4	0.97%
South Central Power Co.	3,273,550	5	0.75%
T S Trim Industries Inc	2,307,780	6	0.53%
HD Development	2,205,010	7	0.50%
Lehman Village LTD	2,136,370	8	0.49%
Georges Creek LP	2,077,250	9	0.47%
Greenbridge Company LTD	1,837,510	10	0.42%
Total	\$ 36,022,420		8.21%
Total Assessed Valuation			\$ 438,509,744

Source: Franklin County Auditor's Office.

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy (A)	Current Collection (B)	Percent of Current Levy Collected	Delinquent Collection (C)	Total Collection (D)	Total Collection As a Percent of Total Levy (C)
2017/2018	\$ 17,643,410	\$ 17,424,741	98.76%	\$ 280,629	\$ 17,705,370	100.35%
2016/2017	16,573,400	16,322,326	98.49%	411,220	16,733,546	100.97%
2015/2016	16,367,275	16,016,372	97.86%	307,314	16,323,686	99.73%
2014/2015	15,838,115	15,070,316	95.15%	293,916	15,364,232	97.01%
2013/2014	15,922,327	15,583,813	97.87%	337,472	15,921,285	99.99%
2012/2013	15,964,973	15,603,358	97.73%	478,789	16,082,147	100.73%
2011/2012	15,760,752	15,103,172	95.83%	450,072	15,553,244	98.68%
2010/2011	16,330,398	15,655,384	95.87%	361,818	16,017,202	98.08%
2009/2010	16,164,347	15,512,478	95.97%	436,686	15,949,164	98.67%
2008/2009	11,251,590	10,803,009	96.01%	439,501	11,242,510	99.92%

Source: Franklin County Auditor's Office.

(A) Levy before adjustment for exempt valuation.

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

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

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

	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes to Levy
\$	497,899	2.82%
	509,568	3.07%
	637,904	3.90%
	655,136	4.14%
	618,229	3.88%
	679,221	4.25%
	841,420	5.34%
	719,444	4.41%
	963,641	5.96%
	1,111,776	9.88%

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

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

Governmental Activities

Fiscal Year	General Obligation Bonds	Energy Conservation Bonds	School Bus Notes	School Facilities Construction and Improvement Notes	Lease Purchase Agreement	Capital Lease
2019	\$ 55,527,918	\$ 1,300,000	\$ 515,000	\$ -	\$ 633,713	\$ 41,909
2018	57,757,321	1,440,000	595,000	-	699,196	52,051
2017	59,756,088	1,573,684	675,000	-	761,522	35,512
2016	62,142,840	1,701,894	840,000	-	820,844	83,865
2015	62,756,179	1,826,145	1,005,000	-	877,307	134,475
2014	64,241,444	1,946,343	245,000	-	935,409	197,719
2013	65,691,112	2,067,405	-	-	982,201	186,171
2012	67,032,067	2,184,257	-	-	1,030,887	115,525
2011	60,402,000	-	-	2,670,000	1,077,224	188,166
2010	60,852,378	-	-	2,870,000	1,121,330	161,397

Sources:

(A) District financial records.

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

N/A - Information is not available.

	(A) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
\$	58,018,540	N/A	\$ 15,196	N/A
	60,543,568	\$ 7,037	15,962	N/A
	62,801,806	7,572	16,601	N/A
	65,589,443	8,297	17,533	N/A
	66,599,106	8,519	18,103	12.31%
	67,565,915	9,213	18,577	13.12%
	68,926,889	9,752	19,115	13.83%
	70,362,736	10,147	19,698	14.50%
	64,337,390	9,510	17,867	14.11%
	65,005,105	9,582	18,012	14.61%

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

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Energy Conservation Bonds	Total		
2019	\$ 55,527,918	\$ 1,300,000	\$ 56,827,918	3.93%	N/A
2018	57,757,321	1,440,000	59,197,321	4.22%	\$ 6,880
2017	59,756,088	1,573,684	61,329,772	4.88%	7,394
2016	62,142,840	1,701,894	63,844,734	5.24%	8,077
2015	62,756,179	1,826,145	64,582,324	5.45%	8,261
2014	64,241,444	1,946,343	66,187,787	5.53%	9,025
2013	65,691,112	2,067,405	67,758,517	5.70%	9,587
2012	67,032,067	2,184,257	69,216,324	5.84%	9,982
2011	60,402,000	-	60,402,000	4.78%	8,929
2010	60,852,378	-	60,852,378	4.86%	8,970

Source: District financial records.

N/A - Information is not available.

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Canal Winchester Local School District	\$ 58,018,540	100.00%	\$ 58,018,540
	<u>58,018,540</u>		<u>58,018,540</u>
Overlapping debt:			
Fairfield County	5,724,904	3.57%	204,379
Franklin County	189,405,000	1.18%	2,234,979
City of Canal Winchester	6,136,941	96.07%	5,895,759
City of Columbus	1,589,265,000	0.65%	10,330,223
City of Pickerington	13,520,000	0.47%	63,544
Village of Lithopolis	90,000	4.78%	4,302
Madison Township	2,070,000	31.85%	659,295
Violet Township	9,875,000	5.17%	510,538
Eastland-Fairfield Career & Technical JVS District	1,050,000	5.75%	60,375
Solid Waste Authority of Central Ohio Miscellaneous	48,140,000	1.21%	582,494
	<u>1,865,276,845</u>		<u>20,545,888</u>
Total direct and overlapping debt	<u>\$ 1,923,295,385</u>		<u>\$ 78,564,428</u>

Source: Ohio Municipal Advisory Council.

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2019 collection year.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (A)	Unvoted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2019	\$ 44,550,535	\$ 44,340,680	\$ 5,358,197	\$ 38,982,483	\$ 5,568,052	\$ 495,006	87.50%
2018	43,127,953	46,870,680	5,066,056	41,804,624	1,323,329	479,199	96.93%
2017	38,748,092	49,890,680	4,477,533	45,413,147	(6,665,056)	430,534	117.20%
2016	37,508,313	52,578,670	4,319,820	48,258,850	(10,750,537)	416,759	128.66%
2015	36,621,598	54,189,823	3,345,149	50,844,674	(14,223,076)	406,907	138.84%
2014	37,088,314	55,700,868	3,155,706	52,545,162	(15,456,848)	412,092	141.68%
2013	36,826,019	57,133,343	2,869,239	54,264,104	(17,438,085)	409,178	147.35%
2012	36,713,107	58,693,346	2,693,294	56,000,052	(19,286,945)	407,923	152.53%
2011	39,224,773	57,223,346	2,425,323	54,798,023	(15,573,250)	435,870	139.70%
2010	39,435,610	58,243,346	2,436,983	55,806,363	(16,370,753)	438,510	141.51%

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

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (A)	Total Federal Adjusted Gross Income (FAGI) (B)	Average FAGI per Income Tax Return (B)	School Enrollment (C)	Unemployment Rates (D)		
					Franklin County	Ohio	United States
2019	N/A	N/A	N/A	3,818	3.6%	4.3%	3.7%
2018	8,604	N/A	N/A	3,793	4.5%	4.5%	4.0%
2017	8,294	\$ 597,323,340	\$ 65,640	3,783	4.4%	4.5%	5.3%
2016	7,905	572,472,700	64,577	3,741	3.9%	4.6%	4.7%
2015	7,818	540,974,332	63,390	3,679	4.0%	5.0%	5.4%
2014	7,334	515,134,016	62,395	3,637	4.8%	5.7%	6.2%
2013	7,068	498,510,097	60,513	3,606	6.4%	7.5%	7.4%
2012	6,934	485,201,284	60,027	3,572	6.4%	7.4%	8.1%
2011	6,765	455,839,237	57,541	3,601	7.7%	8.8%	8.9%
2010	6,784	444,817,085	56,571	3,609	8.9%	10.3%	9.6%

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

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

(C) Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students.
These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.

(D) Ohio Department of Job and Family Services, Ohio Labor Market Information.
2019 data is a year to date average through October.

N/A - Information is not available.

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

PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND EIGHT CALENDAR YEARS AGO

June 30, 2019		
Employer*	Employees	Rank
NIFCO Inc.	922	1
Canal Winchester Local Schools	446	2
TS Trim Industries, Inc.	425	3
HFI, Inc.	255	4
Winchester Care and Rehabilitation	155	5
CAPSA Solutions	151	6
Diley Ridge Medical Center	151	7
Canal Winchester Rehabilitation & Assisted	131	8
Waste Management	N/A	9
BrewDog	130	10
Total	2,766	

*Employers do not include retail or restaurant businesses.
N/A - This number was unavailable at the time.

12/31/2011 (A)			
Employer	Employees	Rank	Percentage of Total City Employment
TS Trim Industries, Inc.	522	1	9.71%
Canal Winchester Schools	422	2	7.85%
WalMart Stores, Inc.	329	3	6.12%
NIFCO Inc.	220	4	4.09%
Meijer, Inc.	200	5	3.72%
First Healthcare Corporation	174	6	3.24%
The Kroger Co.	150	7	2.79%
Waste Management, Inc.	128	8	2.38%
Diley Ridge Medical Center	111	9	2.07%
Altercare	100	10	1.86%
Total	2,356		43.84%
Total Employment within the City	5,374		

Source: City of Canal Winchester.

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

Note: The total number of people employed in the City of Canal Winchester is not available for June 30, 2019; therefore, the percentage of total City employment is not presented for June 30, 2019.

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

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

Type	2019	2018	2017	2016	2015	2014
Certified Staff	270.00	258.00	251.00	244.00	235.00	225.00
Harvest Preparatory School	2.00	3.00	2.00	2.00	2.00	2.00
Coordinators	-	-	-	2.00	2.00	2.00
Administrators	22.00	21.00	19.00	14.00	13.00	13.00
Classified Staff	152.00	154.00	145.00	135.00	133.00	129.00
Total	446.00	436.00	417.00	397.00	385.00	371.00

Function	2019	2018	2017	2016	2015	2014
Instruction:						
Regular	187.00	198.00	187.00	177.00	174.90	168.00
Special	57.00	45.00	43.00	39.00	36.50	36.00
Vocational	16.00	3.00	3.00	3.00	3.00	3.00
Support Services:						
Pupil	53.00	55.00	46.00	45.00	44.60	41.00
Instructional staff	-	-	7.00	6.00	8.00	7.00
Administration	22.00	21.00	19.00	19.00	15.00	15.00
Clerical	25.00	24.00	25.00	25.00	22.00	21.00
Fiscal	4.00	4.00	5.00	5.00	5.00	4.00
Operations and maintenance	28.00	28.00	30.00	29.00	29.00	30.00
Pupil transportation	51.00	54.00	48.00	45.00	43.00	42.00
Food service operations	1.00	1.00	2.00	2.00	2.00	2.00
Harvest Preparatory School	2.00	3.00	2.00	2.00	2.00	2.00
Total Governmental Activities	446.00	436.00	417.00	397.00	385.00	371.00

Source: District records.

2013	2012	2011	2010
224.00	221.00	249.75	235.80
3.00	2.00	4.00	4.00
2.00	2.00	2.00	2.00
13.00	12.00	12.00	12.00
128.00	129.00	151.00	146.00
370.00	366.00	418.75	399.80

2013	2012	2011	2010
169.00	167.00	184.25	171.75
36.00	36.00	38.00	37.50
3.00	3.00	5.50	5.75
40.00	39.00	56.00	52.80
6.00	5.00	10.00	9.00
15.00	14.00	14.00	14.00
20.00	20.00	20.00	19.00
4.00	4.00	4.00	4.00
30.00	30.00	35.00	34.00
42.00	44.00	46.00	45.00
2.00	2.00	2.00	3.00
3.00	2.00	4.00	4.00
370.00	366.00	418.75	399.80

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

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

Function	2019	2018	2017	2016	2015	2014
Instruction:						
Regular and Special						
Enrollment (students)	3,818	3,793	3,783	3,741	3,679	3,637
Graduates	288	317	251	280	258	251
Support services:						
Board of education						
Regular meetings per year	12	12	12	12	12	12
Special meetings per year	1	3	4	6	5	6
Administration						
Nonpayroll checks issued	3,637	3,604	4,013	3,977	4,808	3,762
Pupil transportation						
Avg. students transported daily	2,509	2,433	2,424	2,422	2,243	2,268
Food service operations						
Meals served to students	303,468	303,018	306,970	302,813	291,706	279,933
Breakfast served to students	94,334	87,216	87,384	104,297	75,458	68,271

Source: District records.

Note: Enrollment figures are taken from EMIS reports.

2013	2012	2011	2010
3,606 245	3,572 221	3,601 224	3,609 227
12 5	12 19	12 11	12 6
3,845	4,141	4,455	4,243
2,223	2,271	2,313	2,270
278,536 65,859	294,182 63,379	308,516 58,344	306,384 63,490

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

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017 (B)</u>	<u>2016</u>
Governmental Activities:				
Land	\$ 3,985,623	\$ 3,943,348	\$ 3,943,348	\$ 3,698,648
Land improvements	247,198	271,221	-	52,718
Buildings and improvements	60,591,228	61,348,298	62,120,448	63,120,794
Furniture, equipment and vehicles	1,918,831	1,981,383	1,954,459	-
Furniture and equipment	-	-	-	2,455,118
Vehicles	-	-	-	1,170,817
Construction in progress	8,094,713	1,024,806	-	-
Total Governmental Activities	<u>74,837,593</u>	<u>68,569,056</u>	<u>68,018,255</u>	<u>70,498,095</u>
Capital Assets, net	<u>\$ 74,837,593</u>	<u>\$ 68,569,056</u>	<u>\$ 68,018,255</u>	<u>\$ 70,498,095</u>
Business-type Activities:				
Furniture and equipment	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: District financial records.

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

(B) Capital assets were restated at June 30, 2017.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (A)</u>	<u>2010</u>
\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648	\$ 3,698,648
53,789	54,859	55,929	56,999	58,069	59,140
62,983,575	63,563,881	62,387,333	63,126,921	63,862,168	64,634,286
-	-	-	-	-	-
2,313,406	2,592,967	2,082,522	2,104,827	2,249,411	2,305,998
1,318,965	660,325	531,587	461,953	588,534	534,604
416,630	-	2,253,315	1,227,300	-	-
<u>\$ 70,785,013</u>	<u>\$ 70,570,680</u>	<u>\$ 71,009,334</u>	<u>\$ 70,676,648</u>	<u>\$ 70,456,830</u>	<u>\$ 71,232,676</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,815</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,815</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Indian Trail Elementary (1999)						
Square feet	96,200	96,200	96,200	94,693	94,693	94,693
Capacity (students)	825	825	825	825	825	825
Enrollment	770	738	748	786	803	812
Number of Teachers (A)	47	50	47	45	41	41
Pupil to Teacher Ratio	16.4	14.8	15.9	17.5	19.6	20.0
Winchester Trail Elementary (2002, 2008)						
Square feet	118,299	118,299	118,299	118,299	118,299	118,299
Capacity (students)	1,125	1,125	1,125	1,125	1,125	1,125
Enrollment	935	924	993	877	956	884
Number of Teachers (A)	66	69	65	59	58	53
Pupil to Teacher Ratio	14.2	13.4	15.3	14.9	16.5	16.7
Middle School (2008)						
Square feet	130,085	130,058	130,058	130,958	130,958	130,958
Capacity (students)	921	921	921	921	921	921
Enrollment	947	927	898	905	877	919
Number of Teachers (A)	66	64	61	58	57	58
Pupil to Teacher Ratio	14.3	14.5	14.7	15.6	15.3	15.9
High School (1976, 1998, 2003)						
Square feet	149,413	149,413	149,413	136,148	136,148	136,148
Capacity (students)	1,025	1,025	1,025	1,025	1,025	1,025
Enrollment	1,166	1,204	1,144	1,173	1,043	1,022
Number of Teachers (A)	67	63	60	59	58	56
Pupil to Teacher Ratio	17.4	19.1	19.1	19.9	17.9	19.5
Total enrollment by year	3,818	3,793	3,783	3,741	3,679	3,637
Total teachers by year	246	246	233	221	214	207

Source: District records.

Notes: Year of original construction is in parentheses.

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

2013	2012	2011	2010
94,693	94,693	94,693	94,693
825	825	825	825
780	776	755	809
41	39	44	44
18.9	22.1	18.9	20.6
118,299	118,299	118,299	118,299
1,125	1,125	1,125	1,125
882	882	961	955
55	55	63	58
16.0	14.8	14.2	15.1
130,958	130,958	130,958	130,958
921	921	921	921
901	896	866	857
56	56	60	56
16.1	16.1	14.5	15.2
136,148	136,148	136,148	136,148
1,025	1,025	1,025	1,025
1,043	1,018	1,019	988
56	57	61	57
19.9	18.8	17.3	18.0
3,606	3,572	3,601	3,609
208	206	228	215

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change	Teaching Staff	Pupil/Teacher Ratio
	Expenditures (A)	Cost per Pupil	Expenses (A)	Cost per Pupil				
2019	\$ 52,361,970	\$ 13,715	\$ 42,478,644	\$ 11,126	3,818	0.66%	246	15.52
2018	44,799,393	11,811	25,122,890	6,623	3,793	0.26%	246	15.42
2017	43,034,974	11,376	47,053,280	12,438	3,783	1.12%	233	16.24
2016	41,215,145	11,017	41,189,092	11,010	3,741	1.69%	221	16.93
2015	40,839,502	11,101	40,122,700	10,906	3,679	1.15%	214	17.19
2014	37,384,529	10,279	38,437,145	10,568	3,637	0.86%	207	17.54
2013	37,107,381	10,290	36,853,318	10,220	3,606	0.95%	208	17.38
2012	36,642,366	10,258	36,277,259	10,156	3,572	-0.81%	206	17.34
2011	37,351,622	10,373	38,912,714	10,806	3,601	-0.22%	228	15.81
2010	34,649,834	9,601	34,941,661	9,682	3,609	4.49%	215	16.79

Source: District financial records. The enrollment is located on the "Demographic and Economic Statistics, Last Ten Fiscal Years" table and the teaching staff was provided by District records.

(A) Debt Service totals have been excluded.

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

**TEACHERS STATISTICS
LAST TEN FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Teachers' Salaries							
Average Salary	N/A	58,757	\$ 55,513	\$ 51,855	\$ 55,937	\$ 56,822	\$ 56,501
Teaching Experience							
0-4 Years	N/A	20.09%	24.00%	28.09%	17.47%	16.97%	22.27%
4-10 Years	N/A	23.93%	20.80%	18.35%	18.78%	17.89%	16.59%
10 or More Years	N/A	55.98%	55.20%	53.56%	63.75%	65.14%	61.14%

Source: Ohio Department of Education.

N/A - Information is not available.

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 55,444	\$ 53,544	\$ 53,529
18.55%	21.93%	21.08%
20.36%	25.44%	28.70%
61.09%	52.63%	50.22%

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OHIO AUDITOR OF STATE KEITH FABER



CANAL WINCHESTER LOCAL SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 7, 2020**