

Comprehensive Annual

Financial Report



Gahanna-Jefferson City School District

Board of Education of Gahanna-Jefferson City School District

Gahanna, Ohio

For Fiscal Year Ended June 30, 2010



Dave Yost • Auditor of State

Board of Education
Gahanna Jefferson City School District
160 South Hamilton Road
Gahanna, Ohio 43230

We have reviewed the *Independent Accountants' Report* of the Gahanna Jefferson City School District, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 2, 2011

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**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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I. INTRODUCTORY SECTION

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GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Gahanna-Jefferson City School District
Elected Officials and Administrative Staff
as of June 30, 2010

BOARD OF EDUCATION MEMBERS

President	Mrs. Windy McKenna
Vice President	Mrs. Claire Yoder
Member	Mrs. Jill Schuler
Member	Mr. Charlie Wise
Member	Mr. Scott Mounts

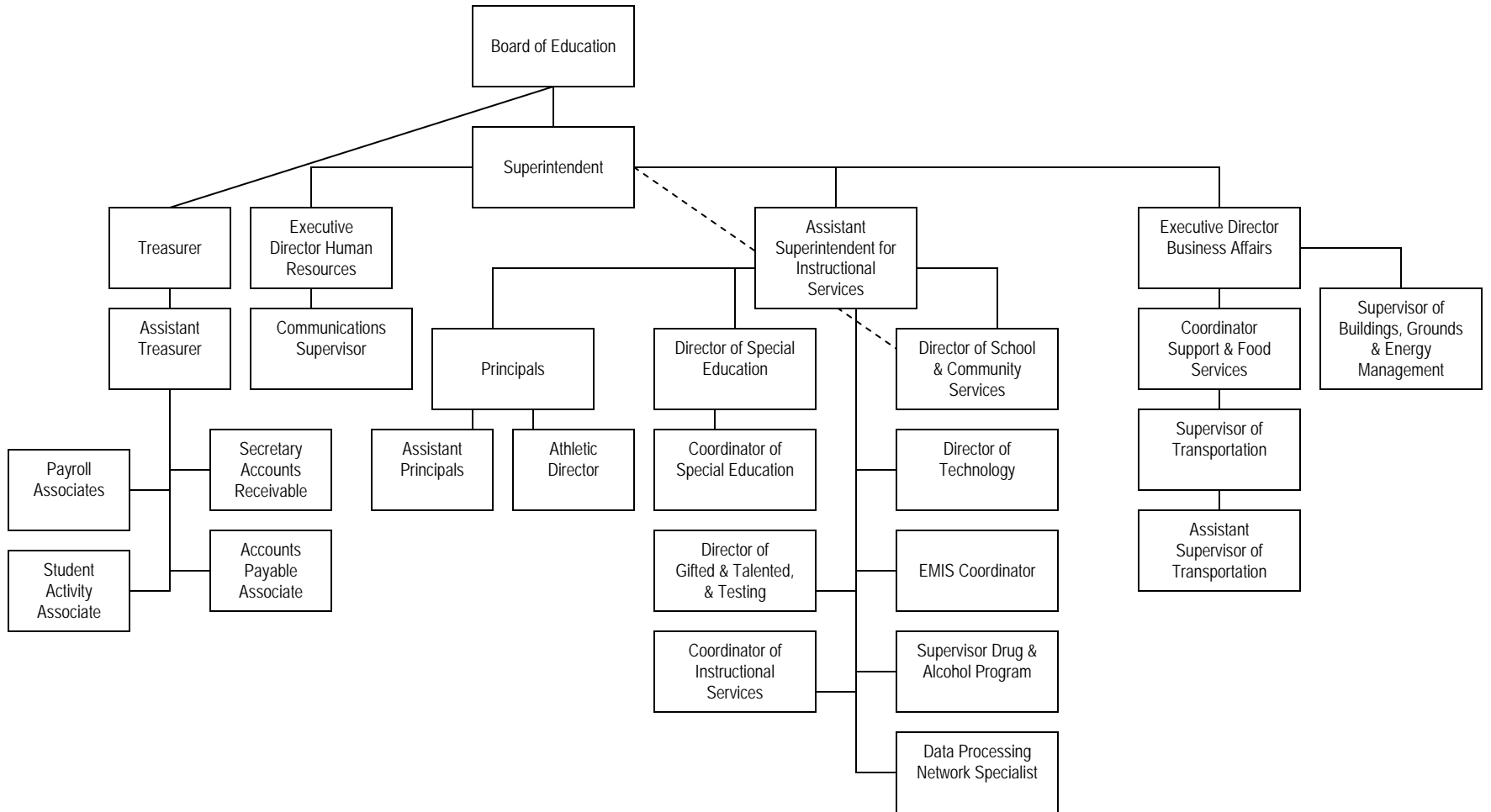
APPOINTED OFFICIALS

Superintendent	Mr. Gregg E. Morris
Treasurer	Mr. Julio Valladares

ADMINISTRATIVE STAFF

Asst. Superintendent - Instructional Services	Mr. Mark White
Executive Director - Human Resources	Mr. Matt Cygnor
Director of Business Affairs	Mr. Daniel Rotella
Director of Special Education Services	Mr. Mark Semer
Gifted and Talented Coordinator	Mrs. Beth Spieth
Principal, Lincoln High School	Mr. Dwight Carter
Principal, Middle School West	Mr. Brett Harmon
Principal, Middle School East	Mr. Brad Barboza
Principal, Middle School South	Ms. Angie Adrean
Principal, Blacklick Elementary School	Mrs. Robin Schmidt
Principal, Chapelfield Elementary School	Mr. Scott Schmidt
Principal, Goshen Elementary School	Mr. Chad Reynolds
Principal, High Point Elementary School	Mrs. Kathleen Erhard
Principal, Jefferson Elementary School	Mrs. Roben Frentzel
Principal, Lincoln Elementary School	Mrs. Kristen Groves
Principal, Royal Manor Elementary School	Mr. Rick Oxley

Gahanna-Jefferson Public Schools Organization Chart





Gahanna - Jefferson Public Schools

160 South Hamilton Road • Gahanna, OH 43230
(614) 471-7065 • Fax (614) 478-5568

December 15, 2010

TO THE BOARD OF EDUCATION AND CITIZENS OF THE GAHANNA-JEFFERSON CITY SCHOOL DISTRICT:

As Treasurer and Superintendent of the Gahanna-Jefferson City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2010 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 the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements, notes to the basic financial statements, and supplemental data, as well as the Independent Accountants' Report on the financial statements. The statistical section provides pertinent financial, economic and demographic information, generally presented on a multi-year basis.

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). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Accountants' Report.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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 are necessary to enable the reader to acquire the maximum understanding of the District's financial activity.

The District is a public school system and is a fiscally independent political subdivision of the State of Ohio. The District operates one high school, three middle schools and seven elementary schools. The District is located east of Columbus, Ohio in Franklin County and encompasses all of the City of Gahanna, a major portion of Jefferson Township, and smaller portions of the City of Columbus and Mifflin Township. The District and municipal boundaries are not coterminous.

This report includes all funds of the District. The District provides a full range of traditional and nontraditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; and special education programs and facilities.

In addition to providing these general activities, the District has administrative responsibility for state funds distributed to private schools located within the District boundaries; therefore, in accordance with GASB Statement 24, this responsibility is included in the reporting entity in a special revenue fund. The private schools served are Gahanna Christian Academy, Columbus Academy, St. Matthew School and Shepherd Christian School. While these organizations share operational and services similar with the District, all are separate and distinct entities. Because of their independent nature, none of these organization's financial statements are included in this report.

Economic Condition and Outlook

Approximately 85% of the District's enrolled students reside in the City of Gahanna. Gahanna is a suburban community that has experienced little residential and commercial growth during the past few years. Approximately 95% of the City is developed. Jefferson Township, which until recently had been primarily rural, is now experiencing residential developments. Tax valuation has increased 2.6% in the last five years as a result of commercial and residential growth.

The District, along with many other public school systems in the state, still faces some difficult situations in the future since the primary funding source is property tax revenues. Ohio law, specifically House Bill 920, limits growth in real estate tax revenues by reducing millage as assessed values increase. This law keeps revenues from each levy relatively constant. Also, House Bill 95 which includes tax reductions for school districts will ultimately lead to a pronounced shifting of tax burden to residential and agricultural property tax payers and House Bill 66 is another form of tax shifting because it eliminated taxes on corporation's personal property. However, the latest budget bill, House Bill 1, retained the state reimbursement of this revenue through 2013 but, there still no permanent plan to replace this lost revenue stream.

Historically, the community has been supportive of education. This has been demonstrated by the passage of an \$8,250,000 bond issue in May 1994, and, a combined 6.3 mill permanent operating levy and a \$28.5 million bond issue in November 1998. The District issued those bonds during fiscal year 1999. In addition a 6.5 mill permanent operating levy was passed in November 1995 and most recently a 7.9 mill operating levy passed in May of 2006. Management believes that by maintaining continued sound financial management practices, continued quality of program offerings, and the solid working relationship with the community, it is likely that community support will remain strong in the future.

The District and Its Facilities

The District serves an area of 32 square miles in and around the City of Gahanna. It is located in Franklin County, approximately 10 miles east of downtown Columbus, the state capital. The Gahanna-Jefferson City School District is a suburban district experiencing little or no growth in the last 10 years. Gahanna's population in 1999 was approximately 30,050 residents. During 2010, according to the City of Gahanna, population has increased to a little over 36,000.

Over the last ten years, the District has experienced growth in enrollment as well as decreases. However during fiscal year 2010, the District has experienced a decrease in growth. Enrollment went down by 5 students during the 2009-2010 school year. We hope to see this growth pick back up in the coming years.

The District's facilities include seven elementary schools (Grades K-5) with 3,086 students, three middle schools (Grades 6 to 8) with 1,630 students, one high school (Grades 9-12) with 2,426 students, for a total of 7,142 students within the District. Other facilities within the District include a maintenance building, a bus garage, an alternative school, the central office and several athletic fields.

Major Initiatives

While Ohio content standards and now the national Core Standards guide teaching and learning in the Gahanna-Jefferson schools, the focus is on the growth and development of the individual student. The Gahanna-Jefferson Graduate Profile, formally introduced during the 2009-10 school year, embodies the skills that are critical for every student in the changing world of the 21st century. The ability to be a responsible community member, collaborative team member, comprehensive problem solver, effective communicator and proficient technology user enhances students' capacity to learn, process and assimilate the content identified in the standards. These skills are essential for the creative, innovative thinking which will drive the changes of the future.

This poster, a symbol of the district's diversity and commitment to the daily focus on these skills, is visible in every classroom, hall and building in the district. Students are assuming more and more responsibility for their learning as they make choices about how they learn and demonstrate their level of understanding.



and data derived from the daily evaluation of student work. The ultimate goal for every student is the development of thorough understanding and comprehension represented by the ability to coherently articulate or demonstrate a concept.

As technology has exponentially increased the speed of communication across long distances and all languages, making the world smaller and more accessible, so is it changing the ways of teaching and learning. The construction of Clark Hall is proceeding and will be an environment which embraces learning that utilizes the tools, methods and structures that will facilitate the development of the Graduate Profile skills.

Flexibility in the way course credit is earned and the way students learn will be evident at Clark Hall and will be replicated throughout the district. It is an exciting time for the students and community of

Gahanna as an educational transformation is taking place in response to the changing world in which we live.

Departmental Focus

Technology

Technology decisions in the Gahanna-Jefferson Public Schools continue to be driven by our three-year strategic technology plan. Developed in 2008-2009 by a Technology Plan Development Committee (TPDC) comprised of teachers, administrators, and other staff representing each of our academic buildings and the District Office, this plan calls for specific prioritized goals to be targeted through 2012. The construction of a new high school annex, Clark Hall, continues to be a driver of both curricular and business/operations technologies, and has resulted both in additional goals and accelerated some projects that now need to be completed prior to the building's opening in the Fall of 2011. While opening a new building always provides challenges, we are finding that Clark Hall is also creating some unique opportunities to leverage technologies required to serve this building to the benefit of the entire district. The most obvious example of this is Clark Hall's need for telephone service being addressed not through the purchase of a stand-alone system that serves only that single building, but the planned implementation of a new district-wide Voice over Internet Protocol (VoIP) system that will serve the needs of all district staff and students by replacing aging and obsolete systems in existing buildings as well.

During this year, a great deal of time and effort was spent engineering new technology-based systems that will be implemented during FY 2011 and FY 2012, but as these systems are not yet in place this CAFR information is limited to new systems and processes that are actually online.

Strategic Technology Plan Goals for 2009 – 2010

Projectors and Presentation Stations at the Elementary Schools

Recognizing the increasing value of multimedia in the education of the 21st Century Learner, in the summer of 2008, permanently mounted projectors and presentation stations were placed in each high school classroom. This project was such a success that one of the priority goals identified by our TPDC was to expand this availability to all our other school buildings. During the summer of 2009 we installed projectors in every middle school classroom, and we completed this goal during the summer of 2010 with the installation of permanently mounted projectors and centralized teacher presentation stations (CD/DVD recording units, computer with Internet connectivity, ready connections for devices such as Elmos and other frequently-used classroom systems) in all classrooms in our 7 elementary buildings.

Network / Internet Speed and Reliability

In the past year, we have continued our strategic replacement of critical core network infrastructure components, including the replacement of the primary switch in each building to allow Layer 3 routing and network traffic controls. We have already seen significant improvement as the result of this change, and anticipate even greater strides as we complete our network infrastructure replacement during the current school year.

Expand Web 2.0 Opportunities

This will be a continuing effort as the value of online educational opportunities continues to grow exponentially. Although there are many examples of leveraging these new capabilities for the benefit of our students, the most obvious is the continuing expansion of Google Apps based *teacher portals*.

District administration and teachers have such a strong commitment to the value of these portals as an education-enhancing communication tool with students and parents that 100% of Gahanna-Jefferson have created and maintain these portals. While some teachers at the early stage of adoption are only using these portals to provide general information and contact points for further communication, more of our teachers are now using these portals to provide 24/7 learning opportunities by providing educational resources such as class notes, study sheets, links to online research and information sources, and lesson expansion opportunities for those students with the interest and capability to take the lesson “to the next level” so that all students are challenged (AYP).

Notebook Computer Replacement

The identified goal of expanding wireless networking capability district-wide has been engineered into our network development project and all buildings will have full wireless coverage by the completion of our technology plan period (FY12). However, advancements in wireless networking technologies have been so extreme that the majority of our current notebook computers are unable to take full advantage of the new wireless network infrastructure we are putting in place. Our planning team recognized this reality and developed the goal of the replacement of older notebook computers, but a recent levy failure and the resulting reduction in the District’s technology budget will make achieving these replacement goals more challenging. In order to address this replacement while minimizing costs to the District, we are working toward developing new partnerships – and expanding existing ones – in ways that will help us achieve this goal. Partnerships will be covered later in this report, and until more long-term solutions are provided the notebook upgrades completed last year, such as the replacement of aged and failing batteries, will help with the continuity of wireless service.

We have, however, made significant strides in replacing aging workstations cost-effectively through the purchase of off-lease equipment. While this equipment has been used in business environments and has been replaced by more capable technology, it still offers significant value for our students and staff at a fraction of the cost of new computers.

Business and Operations Technology

Online Lunch and General Fee Payment Option

Gahanna-Jefferson Public Schools is pleased to offer this new service to facilitate our parents’ fee payment process. Our Technology Department Data Staff built and maintain a bridge between our Student Information Systems (SIS) data and the online payment system so that parents can monitor funds remaining in their student’s lunch account and pay other fees online as well. This has greatly facilitated several processes, including student registration, and parents enjoy the convenience of the system and the ability to pay online with a credit card.

Transportation Systems Software

Transportation services have been enhanced through the addition of a new application called *Transfinder*. This system is being used not only to develop and streamline bus routes to minimize costs and student ride times, but gives greater transparency to complex systems in order to allow more detailed reporting to parents about pickup and drop off times and locations. The ability to provide teacher access to transportation data so that they can help new riders locate the appropriate bus greatly reduces student stress as they learn and master the bus riding process.

Student Attendance and Tracking

Student safety and mandatory attendance reporting have been enhanced through the addition of the *Plasco Track* system, which integrates with the District's eSchool PLUS Student Information System (SIS). This system allows District staff to scan the barcodes of District-provided student identification cards as they enter the high school, so that *ontime*, *tardy*, and *absent* status can be more efficiently and accurately recorded and tracked.

Core Technology

Servers and Server Virtualization

To realize the improved reliability and cost-savings offered by *server virtualization*, the District has completed its virtualization project. This has reduced the District's server *farm* to three large servers that have been virtualized to serve the role of over 40 servers, reducing *Total Cost of Ownership* (TCO) through lowered operating, replacement, and support costs while improving reliability due to the virtualization technology's ability for one server to automatically take over the role of a failed server until repairs are made. As we continue to move rapidly toward a 24/7/365 learning environment, this reliability is becoming essential to the student learning experience.

Storage Area Network (SAN)

To cost-effectively serve the District's expanding network reliability, data storage, and data security needs, a Compellent Storage Area Network was installed during the summer of 2009. As anticipated, continuing network growth and ever-increasing needs for improved data access speeds led to the expansion of storage for that unit last year. A second used SAN unit was purchased to be part of a developing Disaster Recovery (DR) site located in a different Gahanna-Jefferson school building so that a second copy of all critical data is stored in that remote location. When our DR site development is complete, we will be able to run all critical data and telephone services of the district from that second location, so in the event of a complete loss of the main network location District operations will be able to continue.

Inter-Building Fiber Optic Connectivity

Network operations are currently hampered by relatively slow network links between some of our buildings, but a partnership with the City of Gahanna offers us the opportunity to exponentially improve the speed of these connections through the connection of Gahanna-Jefferson buildings to the city-wide fiber optic network. This year, we have completed a *proof of concept* project that moved Middle School South and Chapelfield Elementary from a leased connection to fiber optics, and we have seen very impressive improvement in both buildings. We look forward to expanding this service to our other buildings in the coming years.

Communications

In addition to District communications advances offered through the teacher portals, we have expanded the use of e-mail through opt-in distribution lists and classroom (or full building) e-mails facilitated through our eSchool PLUS SIS. This allows teachers, building principals, district administrators, and other staff effectively and efficiently communicate important information to our students, parents, and community.

In addition to our long standing website presence, www.gahannaschools.org, we are currently developing a social networking strategy that includes tools such as Facebook and Twitter.

Partnership Development

While we recognize that the expansion of technology is essential to effectively meet the needs of our students, it is also expensive. To minimize the cost of providing these essential services, we are aggressively pursuing new partnerships and continuing to expand existing ones. In addition to examples such as the City of Gahanna fiber partnership mentioned above, we are working closely with a variety of other companies and organizations to offer the most technology possible at the lowest cost possible. A partnership with Cisco, the world's leading manufacturer of networking equipment, is also helping the District cost-effectively meet the expanding needs of our students, and these partnerships often offer more than just reduced purchase costs or "free" technology. For instance, our longstanding partnership with Dell Computers has, during the past year, provided access to Dr. Mark Weston, their top education specialist, and involved conversations with their top technology leaders responsible for developing systems only now being envisioned and how they can be expected to impact student learning in the future so that the district can position itself to serve the developing needs of the 21st Century Student.

Preparing for the Future

Technology is a field that never remains still, and district has several projects in progress that are expected to be completed during FY11, including:

- Expanded multimedia-for-learning capabilities including district-wide video distribution to enable students and staff in one building to participate in events and classes in another building (author visits, plays, music events, classroom-to-classroom exchanges, staff professional development opportunities). The system includes the capability to archive important events for later viewing, so that a teacher can record an important class event and preserve it for later review by students – or for students who were absent for the original event to view "live" or archived from outside the district.
- A district-wide Voice over Internet Protocol (VoIP) telephone system that includes not only the replacement of existing – and largely antiquated – office telephones but also expands student and staff safety and streamlined operations with the addition of telephones in every classroom.
- Voicemail for every district staff member.
- Single- or multiple-building paging.
- Expanded network-based security systems.
- Expanded network-based HVAC control systems.

Financial Information

The District's accounting system is organized on a "fund" basis. Each fund is a separate self-balancing accounting entity. All District funds, except Proprietary Funds and Fiduciary are reported on the modified accrual basis of accounting, whereby revenues are recognized when measurable and available, and expenditures are recognized when the related liability is incurred, except for principal and interest on long-term debt which is recorded when due. Proprietary and Fiduciary funds are accounted for on the full accrual basis of accounting. Both basis of accounting are in accordance with GAAP as applied to governmental units and consistent with GASB Code. Sec. 1600; "Basis of Accounting".

Internal Controls

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

Budgetary Controls

The District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount is established at the fund level of expenditure. Additionally, the District maintains an encumbrance system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. In June 2010, the Board approved the fiscal year 2010 final amended appropriation measure for the District.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Risk Management

The District is part of a statewide plan for workers compensation insurance coverage. Additionally, the District carries all-risk property insurance, liability and excess insurance. All employees are bonded and medical coverage for employees is provided through a self-insured medical program offered by the District.

Independent Auditors

The basic financial statements of the District for the year ending June 30, 2010, were audited by Kennedy Cottrell Richards' CPA firm, whose opinion thereon is included at the beginning of the Financial Section of this report.

Certificate of Achievement Program


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the Gahanna-Jefferson City School District, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2009. The Certificate of Achievement is a prestigious 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. Such 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 the GFOA.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the conscientious efforts of the treasurer's office staff and assistance of other central office administrators and staff. The assistance of the Franklin County Auditor's office in providing information is appreciated. Without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible. Most importantly, we would like to thank the Citizens of the District for the opportunity to continue to improve the professionalism in financial reporting that they expect and deserve.

Sincerely,


Julio C. Valladares, Treasurer/CFO


Mark White, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gahanna-Jefferson Public School District Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

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INDEPENDENT ACCOUNTANTS' REPORT

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 43230

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining non-major fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC

December 15, 2010

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
UNAUDITED

As management of the Gahanna-Jefferson Public School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our letter of transmittal, which immediately precedes this analysis.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$34.5 million (net assets). Of this amount, \$21.6 million (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$5.9 million, a 14.7% decrease in comparison with the prior fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$40.1 million, an increase of \$11.7 million in comparison with the prior fiscal year. Of this amount, \$15.5 million is available for spending at the District's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$303,333, or .4% of total general fund expenditures.
- The District's total general obligation bonded debt increased \$19.4 million, or 97%, in comparison with the prior fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish function of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, support services, community services, and extracurricular activities. The business-type activities of the District include food service, summer school, and community recreation.

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate community school for which the District is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 17-19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
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The District maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and building fund, each of which are considered major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary Funds. The District maintains two different types of proprietary funds. Enterprise funds are used to report the same functions reported as business-type activities in the government-wide financial statements. The District uses the enterprise funds to account for the food service, special rotary, and community recreation funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various funds. The District uses an internal service fund to account for health and dental claims and premiums. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the proprietary funds is provided in the form of combining statements elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 25-28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 29-30 of this report.

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. The notes to the basic financial statements begin on page 31 of this report.

Other information. The combining and individual fund statements and schedules referred to earlier in can be found on pages 69-98 of this report.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
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Government-Wide Financial Analysis

The table below provides a summary of the District's net assets for 2010 and 2009:

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	As restated 2009	2010	2009	2010	2009
Assets						
Current and Other Assets	\$ 116,692,067	\$ 109,531,004	\$ 446,058	\$ 149,857	\$ 117,138,125	\$ 109,680,861
Capital Assets	35,362,871	34,885,115	67,581	77,677	35,430,452	34,962,792
Total Assets	152,054,938	144,416,119	513,639	227,534	152,568,577	144,643,653
Current Liabilities	71,232,664	76,652,618	357,029	280,936	71,589,693	76,933,554
Long-term Liabilities	46,332,427	27,124,346	119,264	114,822	46,451,691	27,239,168
Total Liabilities	117,565,091	103,776,964	476,293	395,758	118,041,384	104,172,722
Invested in Capital Assets net of related debt	11,471,830	11,649,415	67,581	77,677	11,539,411	11,727,092
Restricted	1,390,812	2,814,950	-	-	1,390,812	2,814,950
Unrestricted	21,627,205	26,172,790	(30,235)	(245,901)	21,596,970	25,926,889
Total Net Assets	\$ 34,489,847	\$ 40,637,155	\$ 37,346	\$ (168,224)	\$ 34,527,193	\$ 40,468,931

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$34.5 million at the close of the most recent fiscal year.

A large portion of the District's net assets (33 percent) reflect its investment in capital assets (e.g., land, buildings, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$21.6 million) may be used to meet the District's ongoing obligations to citizens and creditors.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
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The table below shows the change in net assets for fiscal year 2010 and 2009:

	Change in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Revenues						
Charges for Services	\$ 1,985,971	\$ 1,590,176	\$ 1,793,066	\$ 1,702,654	\$ 3,779,037	\$ 3,292,830
Operating Grants	4,370,505	4,969,118	897,663	561,422	5,268,168	5,530,540
General Revenues						
Property Taxes	48,040,262	51,969,744	-	-	48,040,262	51,969,744
Grants and Entitlements	21,658,340	20,918,913	-	-	21,658,340	20,918,913
Payments in Lieu of Taxes	4,698,766	5,097,126	-	-	4,698,766	5,097,126
Investment Earnings	79,545	513,427	152	1,029	79,697	514,456
Miscellaneous	136,191	1,816	-	-	136,191	1,816
Total Revenues	<u>80,969,580</u>	<u>85,060,320</u>	<u>2,690,881</u>	<u>2,265,105</u>	<u>83,660,461</u>	<u>87,325,425</u>
Program Expenses						
Instructional	56,044,914	52,164,804	-	-	56,044,914	52,164,804
Support Services	27,123,822	27,157,963	-	-	27,123,822	27,157,963
Community Services	1,428,413	1,467,572	-	-	1,428,413	1,467,572
Extra Curricular Activities	1,253,227	1,357,943	-	-	1,253,227	1,357,943
Miscellaneous	-	463,980	-	-	-	463,980
Interest and Fiscal Charges	1,229,512	1,014,684	-	-	1,229,512	1,014,684
Food Service	-	-	2,215,210	2,093,024	2,215,210	2,093,024
Special Rotary	-	-	228,289	172,298	228,289	172,298
Community Recreation	-	-	78,812	85,742	78,812	85,742
Total Expenses	<u>87,079,888</u>	<u>83,626,946</u>	<u>2,522,311</u>	<u>2,351,064</u>	<u>89,602,199</u>	<u>85,978,010</u>
Excess (deficiency) before transfers	<u>(6,110,308)</u>	<u>1,433,374</u>	<u>168,570</u>	<u>(85,959)</u>	<u>(5,941,738)</u>	<u>1,347,415</u>
Transfers	<u>(37,000)</u>	<u>-</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(6,147,308)</u>	<u>1,433,374</u>	<u>205,570</u>	<u>(85,959)</u>	<u>(5,941,738)</u>	<u>1,347,415</u>
Net Assets at Beginning of Year	<u>40,637,155</u>	<u>39,203,781</u>	<u>(168,224)</u>	<u>(82,265)</u>	<u>40,468,931</u>	<u>39,121,516</u>
Net Assets at End of Year	<u>\$ 34,489,847</u>	<u>\$ 40,637,155</u>	<u>\$ 37,346</u>	<u>\$ (168,224)</u>	<u>\$ 34,527,193</u>	<u>\$ 40,468,931</u>

Governmental Activities

Property taxes decreased \$3.9 million in comparison with the prior fiscal year. This decrease is the result of a combination of the phase-out of the personal property tax in calendar year 2009 and a \$2.4 million increase in taxes available for advance from the County at June 30, 2010 in comparison with June 30, 2009. Amounts available for advance were consistent between June 30, 2009 and June 30, 2010.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Total expenses increased \$3.5 million, or 4.1 percent. For the most part, this increase closely parallels inflation and growth in the demand for services.

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

	Total Cost of 2010 Services	Total Cost of 2009 Services	Net Cost of 2010 Services	(Restated) Net Cost of 2009 Services
Governmental Activities				
Instructional	\$ 56,044,914	\$ 52,164,804	\$ 52,965,960	\$ 50,729,049
Support Services	27,123,822	27,157,963	25,252,311	25,016,855
Community Services	1,428,413	1,467,572	353,594	(270,921)
Extracurricular Activities	1,253,227	1,357,943	922,035	526,058
Miscellaneous	-	463,980	-	463,980
Interest and Fiscal Charges	1,229,512	1,014,684	1,229,512	602,631
Total	<u>\$ 87,079,888</u>	<u>\$ 83,626,946</u>	<u>\$ 80,723,412</u>	<u>\$ 77,067,652</u>

Business-type Activities

Operating grants and contributions increased \$336,241, or 60 percent. This increase is the result of an increase in federal funds through the free-and-reduced lunch program.

Expenses increases, for the most part, closely paralleled inflation and growth in the demand for services.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at year-end.

The District's governmental funds reported a combined ending fund balance of \$40.1 million, and increase of \$11.7 million in comparison with the prior fiscal year. Of this amount, \$15.5 million is available for spending at the District's discretion (unreserved, undesignated fund balance). The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2010 for all major and nonmajor governmental funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
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Funds:	Fund Balance June 30, 2010	Fund Balance June 30, 2009	Increase/ (Decrease)
General	\$ 23,637,880	\$ 29,985,058	\$ (6,347,178)
Debt Service	3,247,638	3,243,816	3,822
Building	13,142,196	(5,543,171)	18,685,367
Other Governmental	109,270	706,938	(597,668)
Total	\$ 40,136,984	\$ 28,392,641	\$ 11,744,343

General Fund

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$303,333, while total fund balance was \$23.6 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents .4 percent of total general fund expenditures, while total fund balance represents 30 percent of that same amount.

The fund balance of the District's general fund decreased by \$6.3 million during the current fiscal year. For the most part, this decrease represents the amount in which the District's student instruction and support services expenditures exceeded state and local funding.

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

<u>Revenues:</u>	2010	2009	Change
Taxes	\$ 46,063,998	\$ 49,119,891	-6.2%
Tuition	220,438	223,159	-1.2%
Interest Earnings	127,130	466,045	-72.7%
Intergovernmental	21,358,371	20,836,300	2.5%
Other Revenue	4,613,261	5,639,832	-18.2%
Total Revenues	\$ 72,383,198	\$ 76,285,227	-5.1%

Property taxes decreased \$3.1 million in comparison with the prior fiscal year. This decrease is primarily the result of a combination of the phase-out of the personal property tax in calendar year 2009 and a \$3.3 million increase in taxes available for advance from the County at June 30, 2009 in comparison with June 30, 2008. Amounts available for advance were consistent between June 30, 2009 and June 30, 2010.

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
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	2010	2009	Change
<u>Expenses:</u>			
Instruction	\$ 53,018,866	\$ 48,361,927	9.6%
Support Services	24,582,658	24,214,619	1.5%
Community Services	394	-	100.0%
Extracurricular Activities	844,272	897,780	-6.0%
Miscellaneous	-	363,308	-100.0%
Capital Outlay	362,830	1,596,960	-77.3%
Debt Service:			
Principal Retirement	50,647	100,000	-49.4%
Interest and Fiscal Charges	21,353	112,503	-81.0%
Total Expenditures	<u>\$ 78,881,020</u>	<u>\$ 75,647,097</u>	4.3%

Total expenditures increased \$3.2 million, or 4.3 percent. For the most part, this increase closely parallels inflation and growth in the demand for services.

Debt Service Fund

The debt service fund has a total fund balance of \$3,247,638, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year was \$3,822. This is the amount by which property tax related receipts outstripped the current year debt service requirements.

Building Fund

The building fund has a total fund balance of \$13,142,196, an \$18.7 million increase in comparison with the prior fiscal year. This increase is the result of proceeds received from the sale of bonds for the construction of the new Learning Center addition to the high school.

General Fund Budgetary 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.

The District's final estimated revenues and other financing sources budgeted amounts were increased by \$2.7 million, compared to the original amounts. The District's final appropriations and other financing uses budgeted amounts were decreased by \$3.8 million compared to the original amounts.

The final estimated revenues and other financing sources exceeded actual revenues and other financing sources estimate by \$147,247, or .2%, and actual expenditures and other financing uses were \$2,990,319, or 3.6%, less than final appropriations.

Budgetary information is presented only for the general fund in the financial statements.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt Administration

At fiscal year-end, the District's general bonded debt totaled \$32.7 million, an increase of \$12.8 million in comparison with the prior fiscal year. This increase represents the amount in which new debt issued, totaling \$14.8 million, exceeded current year principal reductions, totaling \$2 million).

See the notes to the basic financial statements for additional information on long-term obligations.

Capital Assets

At fiscal year-end, the District had \$35.4 million (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, and textbooks, a increase of \$477,756 in comparison with the prior fiscal year. For the most part, this increase represents the amount in which current year additions of \$3.3 million exceeded current year depreciation of \$2.7 million.

See the notes to the basic financial statements for additional information on Capital Assets.

Economic Conditions and Outlook

The City of Gahanna's local economy is still going strong. During 2007, Gahanna was ranked 96 on Money Magazine's list of 100 "Best Places to Live". During calendar year 2008 there were recent investments in Gahanna's facilities, including the opening of Creekside located in Olde Gahanna. Creekside is one of Central Ohio's newest entertainment, business and residential development. It is where charm, modern style, and convenience converge along the eastern bank of the Big Walnut Creek. Creekside provides its visitors with dramatic views, premiere dining, boutique shopping, custom offices, new housing, and a lively public park. Additionally, Creekside gained national recognition in 2007 winning first place in the nation for the most innovative use of Tax Increment Financing, a form of tax incentive that allows the City to capture the increase in property tax values generated after improvements have been made on the land.

While Gahanna's commercial growth has slowed down, the community continues to have nationally competitive median homes prices, excellent ranked schools while being the 3rd lowest taxing school district among the 16 Franklin county districts. During 2009, the Gahanna-Jefferson High School Boys' Soccer Team won the Division State Championship and has started off the new season ranked #1 in the Nation. In the future, Gahanna plans to continue to grow through the addition of Clark Hall and their nationally recognized sports team.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
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The school District in September 2008 purchased 6.888 acres of land on the northwest corner of the High School for \$5.4 million. The District started construction on the new High School addition in May 2010 and it is scheduled to open by 2011-2012 school year. The education being taught in this building, Clark Hall, is going to be non-traditional with global education and 21st century curriculum in mind. Additionally, Clark Hall will have a private/public mixed facility use where the first floor of the three story school building will be used for retail and/or other educational institutions such as a college or technical career center. Lastly, the residual unused land and future two buildings will be leased out to a developer for the use as retail and offices.

On May 13, 2010, the District entered into an agreement with Eastland-Fairfield Career & Technical Schools to grant rights to occupy one half of the first floor for fifteen years for an up-front amount of \$1.2 million. Eastland-Fairfield Career & Technical Schools' programs on this site will include the following: miscellaneous satellite programs, international business, teaching professions and bioscience technologies. Additionally, we are in the process of finalizing an agreement with a community college to occupy the other half of Clark Hall's first floor.

Request for Information

This financial report is designed to provide our citizen's, taxpayers, and 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. Julio Valladares, Treasurer, Gahanna-Jefferson City School District, 160 S. Hamilton Road, Gahanna, Ohio 43230.

BASIC FINANCIAL STATEMENTS

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**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Gahanna Community School
Assets				
Cash and Cash Equivalents	\$ 33,238,358	\$ 590,441	\$ 33,828,799	\$ 103,608
Cash with Fiscal Agent	52,890	-	52,890	
Receivables:				
Property Taxes - Current	73,774,238	-	73,774,238	-
Property Taxes - Delinquent	2,148,179	-	2,148,179	-
Accounts	18,966	12,490	31,456	-
Accrued Interest	25,378	-	25,378	-
Payment in Lieu of Taxes	6,565,930	-	6,565,930	-
Due From Other Governments	206,194	-	206,194	-
Internal Balances	200,000	(200,000)	-	-
Materials and Supplies Inventory	-	43,127	43,127	-
Prepaid Assets	105,766	-	105,766	-
Deferred Bond Costs	356,168	-	356,168	-
Capital Assets:				
Non-depreciable Capital Assets	9,518,163	-	9,518,163	-
Depreciable Capital Assets	25,844,708	67,581	25,912,289	101,172
Total Assets	152,054,938	513,639	152,568,577	204,780
Liabilities				
Accounts Payable	1,479,800	25,688	1,505,488	-
Accrued Wages and Benefits	7,499,040	164,943	7,663,983	-
Due to Other Governments	1,947,931	127,801	2,075,732	-
Retainage Payable	49,726	-	49,726	-
Accrued Interest Payable	141,613	-	141,613	-
Claims Payable	576,820	-	576,820	-
Unearned Revenue	59,537,734	38,597	59,576,331	12,461
Long-Term Liabilities				
Due within One Year	3,627,049	-	3,627,049	-
Due in More Than One Year	42,705,378	119,264	42,824,642	-
Total Liabilities	117,565,091	476,293	118,041,384	12,461
Net Assets				
Invested in Capital Assets, Net of Related Debt	11,471,830	67,581	11,539,411	101,172
Restricted for:				
Debt Service	1,052,137	-	1,052,137	-
Other	338,675	-	338,675	1,200
Unrestricted	21,627,205	(30,235)	21,596,970	89,947
Total Net Assets	\$ 34,489,847	\$ 37,346	\$ 34,527,193	\$ 192,319

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Program Revenues			Governmental Activities
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities				
Instruction				
Regular Instruction	\$ 42,966,520	\$ 1,077,394	\$ 212,542	\$ (41,676,584)
Special Instruction	12,250,935	121,466	1,624,217	(10,505,252)
Vocational Instruction	827,459	8,820	34,515	(784,124)
Support Services				
Pupils	3,815,240	-	113,751	(3,701,489)
Instructional Staff	4,191,805	81,855	1,009,797	(3,100,153)
General Administration	231,202	-	-	(231,202)
School Administration	6,751,845	217,024	102,747	(6,432,074)
Fiscal Services	1,585,119	-	-	(1,585,119)
Business	24,985	-	-	(24,985)
Maintenance	6,899,638	148,220	-	(6,751,418)
Pupil Transportation	2,959,148	-	78,111	(2,881,037)
Central	664,840	-	120,006	(544,834)
Community Services	1,428,413	-	1,074,819	(353,594)
Extra Curricular Activities	1,253,227	331,192	-	(922,035)
Interest and Fiscal Charges	1,229,512	-	-	(1,229,512)
Total Governmental Activities	<u>\$ 87,079,888</u>	<u>\$ 1,985,971</u>	<u>\$ 4,370,505</u>	<u>(80,723,412)</u>
Business-Type Activities				
Food Service	2,215,210	1,537,622	897,663	-
Special Rotary	228,289	182,879	-	-
Community Recreation	78,812	72,565	-	-
Total Business-Type Activities	<u>2,522,311</u>	<u>1,793,066</u>	<u>897,663</u>	<u>-</u>
Component Unit				
Gahanna Community School	<u>\$ 411,840</u>	<u>\$ 933</u>	<u>\$ 174,143</u>	<u>-</u>
General Revenues and Transfers				
Property Taxes Levied for:				
General Purposes				45,609,078
Debt Service				2,431,184
Unrestricted Grants and Entitlements				21,658,340
Payment in Lieu of Taxes				4,698,766
Investment Earnings				79,545
Miscellaneous				136,191
Transfers				(37,000)
Total General Revenues and Transfers				<u>74,576,104</u>
Change in Net Assets				<u>(6,147,308)</u>
Net Assets Beginning of Year (Restated)				40,637,155
Net Assets End of Year				<u>\$ 34,489,847</u>

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		Component Unit
Business-Type Activities	Total	Gahanna Community School
\$ -	\$ (41,676,584)	\$ -
-	(10,505,252)	-
-	(784,124)	-
-	(3,701,489)	-
-	(3,100,153)	-
-	(231,202)	-
-	(6,432,074)	-
-	(1,585,119)	-
-	(24,985)	-
-	(6,751,418)	-
-	(2,881,037)	-
-	(544,834)	-
-	(353,594)	-
-	(922,035)	-
-	(1,229,512)	-
-	(80,723,412)	-
220,075	220,075	-
(45,410)	(45,410)	-
(6,247)	(6,247)	-
168,418	168,418	-
-	-	(236,764)
-	45,609,078	-
-	2,431,184	-
-	21,658,340	443,630
-	4,698,766	-
152	79,697	25
-	136,191	-
37,000	-	-
37,152	74,613,256	443,655
205,570	(5,941,738)	206,891
(168,224)	40,468,931	(14,572)
\$ 37,346	\$ 34,527,193	\$ 192,319

See accompanying notes to the basic financial statements.

**GAHANNA JEEFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2010**

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 13,613,748	\$ 2,250,078	\$ 13,842,381	\$ 1,147,740	\$ 30,853,947
Restricted Cash and Cash Equivalents	1,076,664	-	-	-	1,076,664
Receivables:					
Property Taxes - Current	69,996,862	3,777,376	-	-	73,774,238
Property Taxes - Delinquent	2,037,233	110,946	-	-	2,148,179
Accounts	15,346	-	-	3,620	18,966
Accrued interest	25,378	-	-	-	25,378
Payment in Lieu of Taxes	6,565,930	-	-	-	6,565,930
Due From Other Governments	-	-	-	206,194	206,194
Interfund Loans Receivable	145,833	-	-	-	145,833
Prepaid Assets	105,766	-	-	-	105,766
Advance to Other Funds	250,000	-	-	-	250,000
Total Assets	\$ 93,832,760	\$ 6,138,400	\$ 13,842,381	\$ 1,357,554	\$ 115,171,095
Liabilities:					
Accounts Payable	\$ 689,627	\$ -	\$ 650,459	\$ 139,674	\$ 1,479,760
Accrued Wages and Benefits	7,219,838	-	-	279,202	7,499,040
Interfund Loans Payable	-	-	-	145,833	145,833
Due to Other Governments	1,869,992	-	-	77,939	1,947,931
Matured Leave Benefits Payable	359,090	-	-	-	359,090
Retainage Payable	-	-	49,726	-	49,726
Deferred Revenue	60,056,333	2,890,762	-	555,636	63,502,731
Advance From Other Funds	-	-	-	50,000	50,000
Total Liabilities	70,194,880	2,890,762	700,185	1,248,284	75,034,111
Fund Balances:					
Reserved for:					
Encumbrances	3,346,950	-	-	302,486	3,649,436
Prepaid Assets	105,766	-	-	-	105,766
Future Years' Appropriations	18,555,167	997,560	-	-	19,552,727
Budget Stabilization	1,000,303	-	-	-	1,000,303
Bus Purchases	76,361	-	-	-	76,361
Advances	250,000	-	-	-	250,000
Unreserved/Undesignated, Reported in:					
General Fund	303,333	-	-	-	303,333
Special Revenue Funds	-	-	-	(193,216)	(193,216)
Debt Service Fund	-	2,250,078	-	-	2,250,078
Capital Project Funds	-	-	13,142,196	-	13,142,196
Total Fund Balances	23,637,880	3,247,638	13,142,196	109,270	40,136,984
Total Liabilities and Fund Balances	\$ 93,832,760	\$ 6,138,400	\$ 13,842,381	\$ 1,357,554	\$ 115,171,095

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRAKLIN COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total Governmental Fund Balances \$ 40,136,984

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 35,362,871

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Property Taxes Receivable	2,148,179
Payment in Lieu of Taxes Receivable	2,341,158
Due From Other Governments	206,194
Interest Receivable	11,475

An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. 41,768

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and Notes Payable	(39,302,172)
Unamortized Deferred Bond Issuance Costs	356,168
Accrued Interest Payable	(141,613)
Capital Leases Payable	(246,833)
Compensated Absence Payable	(6,424,332)
	(45,758,782)

Net Assets of Governmental Activities \$ 34,489,847

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From Local Sources:					
Taxes	\$ 46,063,998	\$ 2,409,565	\$ -	\$ -	\$ 48,473,563
Tuition	220,438	-	-	-	220,438
Other Local	4,613,261	-	-	661,926	5,275,187
Intergovernmental - State	21,358,371	334,484	-	1,060,128	22,752,983
Intergovernmental - Federal	-	-	-	3,069,668	3,069,668
Investment Income	127,130	-	-	402	127,532
Total Revenues	72,383,198	2,744,049	-	4,792,124	79,919,371
Expenditures:					
Instruction:					
Regular	41,551,907	-	-	285,049	41,836,956
Special	10,589,100	-	-	1,596,707	12,185,807
Vocational	877,859	-	-	-	877,859
Support services:					
Pupils	3,680,291	-	-	121,254	3,801,545
Instructional Staff	3,080,390	-	-	1,125,603	4,205,993
General Administration	217,292	-	-	-	217,292
School Administration	6,402,480	-	-	279,042	6,681,522
Fiscal Services	1,553,205	18,038	-	-	1,571,243
Business	-	-	-	26,945	26,945
Maintenance	6,553,193	-	-	-	6,553,193
Pupil Transportation	2,576,757	-	-	78,168	2,654,925
Central	519,050	-	-	123,071	642,121
Community Services	394	-	-	1,436,027	1,436,421
Extracurricular Activities	844,272	-	-	317,926	1,162,198
Capital Outlay	362,830	-	2,068,789	-	2,431,619
Debt service:					
Principal Retirement	50,647	2,040,000	-	-	2,090,647
Interest and Fiscal Charges	21,353	963,451	-	-	984,804
Bond Issuance Costs	-	114,680	250,711	-	365,391
Total Expenditures	78,881,020	3,136,169	2,319,500	5,389,792	89,726,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,497,822)	(392,120)	(2,319,500)	(597,668)	(9,807,110)
Other financing sources (uses):					
Proceeds from Bonds	-	6,076,350	15,171,420	-	21,247,770
Sale of Assets	78,100	-	-	-	78,100
Inception of Capital Lease	297,480	-	-	-	297,480
Discount on Bonds Issued	-	(34,897)	-	-	(34,897)
Transfers In	-	354,489	6,000,000	-	6,354,489
Transfers Out	(224,936)	(6,000,000)	(166,553)	-	(6,391,489)
Total other financing sources (uses)	150,644	395,942	21,004,867	-	21,551,453
Net Change in Fund Balances	(6,347,178)	3,822	18,685,367	(597,668)	11,744,343
Fund Balances - Beginning (Restated)	29,985,058	3,243,816	(5,543,171)	706,938	28,392,641
Fund Balances - Ending	\$ 23,637,880	\$ 3,247,638	\$ 13,142,196	\$ 109,270	\$ 40,136,984

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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, 2010

Net Change in Fund Balances - Total Governmental Funds \$ 11,744,343

Amounts reported for governmental activities in the statement of activities are different because:

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.

Depreciation Expense	(2,736,968)
Capital Outlay	3,261,288
Net effect of capital assets sales and disposals	(46,564)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Property Taxes - Delinquent	(433,301)
Payment in Lieu of Taxes	1,293,767
Due From Other Governments	206,194
Interest	(47,987)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of Bonds	(21,247,770)
Bond and Note Principal Repayments	2,040,000
Discount on Bonds	34,897
Bond Issuance Costs	365,391
Capital Appreciation Bond Accretion and Amortization of Bond Issuance Costs	(192,481)
Inception of Capital Lease	(297,480)
Capital Lease Principal Repayments	50,647

Some expenses reported in the statement of activities, such as compensated absences payable, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Compensated Absences	361,906
Accrued Interest	(52,227)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(450,963)

Change in Net Assets of Governmental Activities \$ (6,147,308)

See accompanying notes to the basic financial statements.

**GAHANNA JEEFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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, 2010

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Taxes	\$ 47,560,878	\$ 45,974,555	\$ 45,888,064	\$ (86,491)
Intergovernmental - State	18,585,000	21,356,989	21,356,922	(67)
Interest on Investments	400,000	153,521	119,634	(33,887)
Tuition	167,000	223,100	219,538	(3,562)
Other local Sources	4,297,000	6,129,718	6,118,831	(10,887)
Total Revenues	71,009,878	73,837,883	73,702,989	(134,894)
Expenditures:				
Instruction:				
Regular	44,537,868	42,887,957	42,227,641	660,316
Special	11,311,683	11,359,808	11,210,451	149,357
Vocational	1,085,816	972,831	948,360	24,471
Support Services:				
Pupils	3,879,146	3,848,055	3,734,963	113,092
Instructional Staff	3,717,694	3,335,164	3,151,205	183,959
General Administrator	1,542,201	743,401	623,260	120,141
School Administrator	7,073,664	7,237,315	6,652,949	584,366
Fiscal Services	1,707,116	1,602,317	1,573,790	28,527
Maintenance	8,508,134	8,332,443	7,809,591	522,852
Pupil Transportation	3,072,113	2,896,138	2,630,229	265,909
Central	477,321	600,918	562,839	38,079
Extracurricular Activities	947,195	1,110,692	925,222	185,470
Miscellaneous	529,188	1,072	-	1,072
Capital Outlay	417,362	65,350	65,350	-
Debt service:				
Principal Retirement	-	50,647	50,647	-
Interest and Fiscal Charges	-	21,353	21,353	-
Total Expenditures	88,806,501	85,065,461	82,187,850	2,877,611
Excess of Revenues Over (Under) Expenditures	(17,796,623)	(11,227,578)	(8,484,861)	2,742,717
Other Financing Sources (Uses):				
Sale of Assets	1,500	78,100	78,100	-
Transfers Out	(225,000)	(301,177)	(224,936)	76,241
Advances In	225,000	55,909	43,556	(12,353)
Advances Out	(300,000)	(200,000)	(163,533)	36,467
Total Other Financing Sources (Uses)	(298,500)	(367,168)	(266,813)	100,355
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(18,095,123)	(11,594,746)	(8,751,674)	2,843,072
Fund Balances at Beginning of Year	15,800,846	15,800,846	15,800,846	-
Prior Year Encumbrances Appropriated	3,619,941	3,619,941	3,619,941	-
Fund Balances at End of Year	\$ 1,325,664	\$ 7,826,041	\$ 10,669,113	\$ 2,843,072

See accompanying notes to the basic financial statements

**GAHANNA JEEFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2010

	Business-Type Activities NonMajor Enterprise Funds	Governmental Activities - Internal Service Fund
Current Assets:		
Cash and Cash Equivalents	\$ 590,441	\$ 1,307,747
Cash with Fiscal Agent	-	52,890
Accounts Receivable	12,490	-
Materials and Supplies Inventory	43,127	-
Total Current Assets	<u>646,058</u>	<u>1,360,637</u>
Noncurrent Assets:		
Depreciable capital assets	67,581	-
Total Assets	<u>\$ 713,639</u>	<u>\$ 1,360,637</u>
Current Liabilities:		
Accounts Payable	\$ 25,688	\$ 40
Claims Payable	-	576,820
Accrued Wages and Benefits	164,943	-
Due to Other Governments	127,801	-
Unearned Revenue	38,597	742,009
Total Current Liabilities	<u>357,029</u>	<u>1,318,869</u>
Non-current Liabilities:		
Compensated Absences Payable	119,264	-
Advances From Other Funds	200,000	-
Total Non-current Liabilities	<u>319,264</u>	<u>-</u>
Total Liabilities	<u>676,293</u>	<u>1,318,869</u>
Net Assets:		
Invested in Capital Assets	67,581	-
Unrestricted	(30,235)	41,768
Total Net Assets	<u>37,346</u>	<u>41,768</u>
Total Liabilities and Net Assets	<u>\$ 713,639</u>	<u>\$ 1,360,637</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities NonMajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues:		
Tuition and Fees	\$ 222,078	\$ -
Sales	1,545,088	-
Charges for Services	-	7,510,107
Other Operating Revenue	25,900	-
Total Operating Revenues	<u>1,793,066</u>	<u>7,510,107</u>
Operating Expenses:		
Salaries and Wages	1,153,006	-
Fringe Benefits	335,443	-
Purchased Services	42,521	845,156
Materials and Supplies	948,128	-
Depreciation	13,207	-
Other Operating Expenses	30,006	7,116,206
Total Operating Expenses	<u>2,522,311</u>	<u>7,961,362</u>
Operating Loss	<u>(729,245)</u>	<u>(451,255)</u>
Non-Operating Revenues:		
Operating Grants	897,663	-
Interest Revenue	152	292
Total Non-Operating Revenues	<u>897,815</u>	<u>292</u>
Income (Loss) Before Transfers	168,570	(450,963)
Transfer In	<u>37,000</u>	<u>-</u>
Change in Fund Net Assets	205,570	(450,963)
Net Assets Beginning of Year	(168,224)	492,731
Net Assets End of Year	<u>\$ 37,346</u>	<u>\$ 41,768</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Business-Type Activities NonMajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash Flows from Operating Activities:		
Cash Received from Tuition and Fees	\$ 216,636	\$ -
Cash Received from Sales	1,544,365	-
Cash Received from Charges for Services	-	8,252,116
Cash Received from Other Operating Receipts	27,875	-
Cash Payments for Personal Services	(1,420,324)	-
Cash Payments for Contract Services	(30,810)	(7,844,346)
Cash Payments for Supplies and Materials	(874,296)	-
Cash Payments for Other Expenses	(30,006)	-
Net Cash Provided by (Used for) Operating Activities	<u>(566,560)</u>	<u>407,770</u>
Cash Flows from Noncapital Financing Activities:		
Transfers In (Out)	37,000	-
Cash from Operating Grants	789,805	-
Net Cash Provided by Noncapital Financing Activities	<u>826,805</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Payments for Capital Acquisitions	(6,613)	-
Net Cash Used for Capital and Capital-Related Financing Activities	<u>(6,613)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on Investments	152	292
Net Cash Provided by Investing Activities	<u>152</u>	<u>292</u>
Net Increase in Cash and Cash Equivalents	253,784	408,062
Cash and Cash Equivalents at Beginning of Year	336,657	952,575
Cash and Cash Equivalents at End of Year	<u>\$ 590,441</u>	<u>\$ 1,360,637</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Business-Type Activities NonMajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Operating Loss	\$ (729,245)	\$ (451,255)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	13,207	-
Commodities Expense related to Noncash Grant	107,858	-
Changes in Assets and Liabilities:		
Accounts Receivable	(1,019)	-
Supplies Inventory	(41,398)	-
Claims Payable	-	116,976
Accounts Payable	20,100	40
Accrued Wages and Benefits	51,969	-
Due to Other Governments	10,697	-
Compensated Absences	4,442	-
Unearned Activities	(3,171)	742,009
Net Cash Provided by (Used for) Operating Activities	<u>\$ (566,560)</u>	<u>\$ 407,770</u>

Schedule of Noncash Financing Activities:

The Food Service received donated commodities valued at \$107,858.

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2010**

	Private-Purpose <u>Trust</u>	Agency <u>Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 87,713	\$ 347,560
Accounts Receivable	-	708
Materials and Supplies Inventory	-	16,856
Total Assets	87,713	365,124
Liabilities:		
Accounts Payable	1,141	12,223
Due to Others	-	352,901
Total Liabilities	1,141	\$ 365,124
Net Assets:	\$ 86,572	

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Private-Purpose Trust</u>
Additions:	
Gifts and Contributions	\$ 13,978
Interest	27
Other Local	12,958
Total Additions	<u>26,963</u>
 Deductions:	
Scholarships Awarded	11,985
Other Expenses	18,017
Total Deductions	<u>30,002</u>
 Chang in Net Assets	 (3,039)
 Net Assets at Beginning of Year	 89,611
Net Assets at End of Year	<u><u>\$ 86,572</u></u>

See accompanying notes to the basic financial statements.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Gahanna Jefferson Public School District (the “District”) is located in Franklin County. The District operates under a locally-elected, five member Board form of government and provides educational services as authorized or mandated by state and/or federal agencies. This Board controls the District’s thirteen instructional/support facilities staffed by 256 non-certificated employees, 536 certificated full-time teaching personnel, 34 administrators and 6 psychologists. The District provides services to 7,064 students and other community members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No.14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. 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.

The Gahanna Community School (the “School”) is a nonprofit corporation established, in fiscal year 2009, pursuant to Ohio Revised Code Chapter 3314.07. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School’s tax-exempt status. The School specializes in providing educational services to chosen students through unique learning methods like web-based learning, community service, independent study and internships.

The School, which is part of the state’s education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The School operates under the direction of a self-appointed five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualification of teachers. The School contracts with its sponsor for 4 non-certified staff members and 9 certificated teaching personnel who provide services to 80 students. The School is expecting the number of students to grow to 120 during the 200-2011 school year.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Based on the significant services provided by the District to the School, the School's purpose of servicing the students within the District, and the relationship between the Board of Education of the District and the Board of Trustees of the School, the School is reflected as a discretely presented component unit of the District. Separately issued financial statements can be obtained from the Treasurer of the School at 160 S. Hamilton Road, Gahanna, Ohio 43230.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit can be found in Note 21.

JOINTLY GOVERNED ORGANIZATIONS

The Metropolitan Educational Council (MEC) is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MEC consists of one representative from each of the member school districts. Financial information can be obtained from Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, Ohio 43219. Payments to MEC during the fiscal year totaled to \$673,530.

The Eastland-Fairfield Career and Technical School (School) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district's elected boards, which possesses its own budgeting and taxing authority. The District is a member of this organization. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgemated Place, Groveport, Ohio 43125. Payments to the School during the fiscal year totaled \$16,569.

JOINT VENTURE

On February 21, 1996, a contract was entered into between the District and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility and fueling station. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In addition, during 2000 the City received a credit, in the amount of \$187,960 for the use and construction of the vehicle maintenance facility. This amount represents 4.699 acres of land that the City deeded to the District. The District's total cost for construction in 2000 was \$1,234,694, which is included in the District's governmental activities as a capital asset. The land was also recorded in the District's governmental activities in fiscal year 1996. Payments to the City during the fiscal year totaled \$35,804.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

PUBLIC ENTITY RISK POOLS

The Ohio School Boards Association Workers' Compensation Group Rating Plan is a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the Plan) was established through the Ohio School Boards Association (OSBA) as a group purchasing pool. The intent of the plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping with other participants in the plan. The workers' compensation experience of the District is still used to calculate an individual premium rate, but a discount is given to the District for being part of the group. The firm of Sheakley Group provides administrative services to the plan.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary governmental is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has no major individual enterprise funds.

C. Measurement Focus, basis of accounting and financial statement presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, investment earnings, tuition, grants and student fees.

Deferred/Unearned Revenue – Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (unearned revenue).

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. Revenue must also be susceptible to accrual (it must be measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (deferred revenue).

Property taxes for which there is an enforceable legal claim as of fiscal year-end, but which were levied to finance the operations of the subsequent fiscal year, and grants and entitlements received before eligibility requirements have been met, have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenditures/Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as an expenditure with a like amount 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. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. There are three categories of funds: governmental, proprietary and fiduciary. The District currently has all three types of funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Building Fund – The building fund is used to account for financial resources related to special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities, including real property.

OTHER GOVERNMENTAL FUNDS - Other Governmental Funds of the District are used to account for grants and other resources whose use is restricted to a particular purpose.

NONMAJOR ENTERPRISE FUNDS – Nonmajor Enterprise funds consist of (1) Food Service Fund – used to account for all financial transactions related to the food service operation; (2) Special Rotary Fund – used to account for the transactions made in connection with supplemental education classes and the job-training program; and (3) Community Recreation Fund – used to account for the financial transactions regarding community summer camp activities.

OTHER FUND TYPES

Internal Service Fund – A fund provided to account for money received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage.

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

Private Purpose Trust Fund – A trust fund accounts for money which has been set aside for scholarship purposes from which the income may be expended in accordance with the related trust agreements, but the principal stays intact.

Agency Fund – A fund used for activities that are purely custodial in nature (asset equal liabilities) and thus do not involve measurement of results of operations. The District's has two agency funds to account for student managed activities and an employee flexible spending plan.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Food Service, the Special Rotary and the Community Recreation enterprise funds, and of the District's internal service funds are charges for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

D. 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 "Cash and Cash Equivalents" on the basic financial statements. The District has a segregated bank account for the self insurance internal service fund held separate from the District's central bank account.

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

During the fiscal year, the District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on the last day of the fiscal year.

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes, money market and other obligations; bank certificates of deposit; banker's acceptances; commercial paper notes rated prime and issued by United States corporations; and STAROhio. It is management's policy to invest in all of the above types of investments.

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$127,130 which includes \$52,241 assigned from other District funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities 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 are reported as investments.

E. Inventory and Prepays

All inventories are valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. At fiscal year-end, inventory consists of donated food and purchased food and supplies held for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

F. Capital Assets

General capital assets are those related to government activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

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

All reported capital assets except land and construction in progress are depreciated. The District currently does not possess any infrastructure. 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>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20-50 years
Furniture, fixtures and equipment	5-20 years
Vehicles	8 years
Instructional Supplies	6 years

G. Interfund Balances

Transfers between governmental and business-type activities on the entity-wide statements are reported in the same manner as general revenues. 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 non-operating revenues/expenses in proprietary funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

On fund financial statements, receivables and payables resulting from short-term interfund loans between governmental funds are classified as “interfund loans receivable/payable.” Advances to/from other funds are long-term advances made between governmental funds that are not expected to be repaid within one year. These amounts are eliminated in the governmental activities column on the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

H. Compensated Absences

GASB Statement No. 16, “Accounting for Compensated Absences”, specifies the method used to accrue liabilities for leave benefits. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments. The total liability for vacation and severance payments has been calculated using pay rates in effect at fiscal year-end, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term debt are reported in the government-wide financial statements as well as 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, compensated absences, and contractually required pension contributions that will be paid from governmental funds (typically the General fund) 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 are recognized as a liability on the fund financial statements when due.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

J. Fund Balance Reserves

Reserves fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, prepaid assets, tax advances unavailable for appropriation, budget stabilization, unspent bus purchase allowance proceeds, and advances. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds. The reserve for tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

K. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes represent restricted grants and contributions held at fiscal year-end. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Unamortized Bond Issuance Costs and Bond Premiums

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets. Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

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

M. Extraordinary and Special Items

Extraordinary items are transactions of 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. During the fiscal year, the District did not incur any transactions that would be classified as an extraordinary item or special item.

N. 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.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

O. Budgetary Calendar

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budget documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriations Resolution, all of which are prepared on the budgetary cash basis of accounting. All funds are required to be budgeted and appropriated. The legal level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with legal restriction that the appropriations cannot exceed estimated resources, as certified. The amount reported as the original budgeted revenues in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenues in the budgetary statement reflect the amounts in the amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. The amounts reported as the original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Deficit Fund/Net Asset Balances

Fund/Net Asset balances at June 30, 2010 included the following individual deficits:

<u>Fund Name</u>	<u>Deficit Balance</u>
Alternative School	\$ (4,087)
Other State Grants	(13,295)
IDEA-B	(72,780)
Education Stabilization	(525)
Title I	(38,913)
Drug Free Schools	(1,878)
Food Service	(126,546)

These funds complied with Ohio state law, which does not permit a cash basis deficit at fiscal year-end. These deficits are the result of accrual resulting from the application of GAAP. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 deposits are deposits of interim monies. Interim moneys 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 to be deposited or invested in the following securities:

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

At fiscal year-end, the carrying amount of the District deposits was \$3,547,665 (excluding \$50 maintained in petty cash) and the bank balance was \$4,330,005. Of the District's bank balance, \$552,891 was covered by federal deposit insurance while the remaining \$3,777,114 was exposed to custodial risk, as discussed below. Of the carrying amount, \$1,076,664 represents cash restricted for unspent funds received from the State for bus purchases and monies set-aside by the District for budget stabilization.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

B. Investments

At fiscal year-end, the District had the following investments and maturities:

Investment Type	Fair Value	Percent of Total	Investment Maturities	
			Within 1 Year	1 to 2 Years
STAR Ohio	\$ 1,128,479	3.67%	\$ 1,128,479	\$ -
Money Market	19,606,143	63.72%	19,606,143	-
Treasury Note	1,004,765	3.27%	1,004,765	-
Federal Home Loan Bank	8,028,800	26.09%	4,002,400	4,026,400
Federal Farm Credit Bank	1,001,060	3.25%	1,001,060	-
Total	\$ 30,769,247	100%	\$ 26,742,847	\$ 4,026,400

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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, unless matched to a specific obligation or debt of the District.

Credit Risk: The District does not have a formal investment policy limiting credit risk. The District’s investments at fiscal year-end in Money Market Fund, Star Ohio, Treasury Notes, Federal Home Loan Bank Notes, and Federal Farm Credit Bank Notes are rated AAAM by Standard & Poor’s.

Concentration Risk: The District places no limit on the amount that may be invested in any one issuer.

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

The following is a reconciliation of deposits and investments as reported above to cash and cash equivalents reported on the statement of net assets at fiscal year-end:

Investments (summarized above)	\$ 30,769,247
Carrying Amount of Deposits	3,547,665
Petty Cash	50
Less: Fiduciary Cash and Investments	<u>(435,273)</u>
Total Cash and Cash Equivalents on Statement of Net Assets	<u><u>\$ 33,881,689</u></u>

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances at fiscal year-end as reported on the fund financial statements, consist of the following individual interfund loans and advances receivable and payable:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 195,833
General Fund	Nonmajor Enterprise Funds-Food Service	200,000

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances expected to be repaid within one year. Advances to and from funds reported on the fund statements are interfund balances not expected to be paid back within one year. Interfund balances between governmental funds are eliminated for reporting in the statement of activities.

Transfers that occurred during the fiscal year were as follows:

Transfers In	Transfers Out			Total
	General Fund	Debt Service Fund	Building Fund	
Debt Service	\$ 187,936	\$ -	\$ 166,553	\$ 354,489
Permanent Improvement	-	6,000,000	-	6,000,000
Special Rotary (Nonmajor Enterprise Fund)	37,000	-	-	37,000
Total Transfers In/Out	\$ 224,936	\$ 6,000,000	\$ 166,553	\$ 6,391,489

The primary purpose of interfund transfers is to subsidize programs of the District that are not self-sufficient and to move funds generated for the purpose of debt service to the funds responsible for paying such debt service.

In prior fiscal years, the District issued a \$6,000,000 bond anticipation note to fund projects of the District's Building Fund. During the current fiscal year, the District issued several long-term obligations (see Note 9), a portion of which was used to pay off the bond anticipation note at maturity. The District recorded proceeds in the Debt Service Fund for the portion of the long-term obligations attributable to paying off the bond anticipation note and subsequently transferred the funds from the Debt Service Fund to the Building Fund, which was fund responsible to paying off the bond anticipation note.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2009 and are collected in 2009 with real property taxes.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Accrued property tax receivable includes real property, public utility property and tangible personal property taxes which are measurable at fiscal year-end 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 revenue. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which fiscal year 2010 taxes were collected are:

	2009 Second Half		2010 First Half	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 1,441,186,310	97.85%	\$ 1,444,826,880	97.87%
Public Utility Personal	28,514,440	1.94%	29,890,240	2.01%
Tangible Personal Property	3,092,680	0.20%	1,546,340	0.10%
Total	\$ 1,472,793,430	100.00%	\$ 1,476,263,460	100.00%
Tax rate per \$1,000 of assessed valuation	\$ 66.73		\$ 66.73	

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 7,718,394	\$ -	\$ -	\$ 7,718,394
Construction in Progress	-	1,799,769		1,799,769
Total Nondepreciable Assets	7,718,394	1,799,769	-	9,518,163
Depreciable Capital Assets				
Land Improvements	6,688,326	11,991	(10,954)	6,689,363
Buildings and Improvements	48,604,196	35,663	(20,194)	48,619,665
Equipment and Fixtures	6,470,817	1,139,543	(305,138)	7,305,222
Vehicles	3,554,702	95,792	(58,993)	3,591,501
Textbooks	3,595,319	178,530	-	3,773,849
Total Depreciable Assets	68,913,360	1,461,519	(395,279)	69,979,600
Less accumulated depreciation				
Land Improvements	(4,670,458)	(243,159)	-	(4,913,617)
Buildings and Improvements	(28,596,308)	(1,313,245)	-	(29,909,553)
Equipment and Fixtures	(3,941,525)	(608,773)	289,722	(4,260,576)
Vehicles	(1,742,650)	(320,644)	58,993	(2,004,301)
Textbooks	(2,795,698)	(251,147)	-	(3,046,845)
Total accumulated depreciation	(41,746,639)	(2,736,968)	348,715	(44,134,892)
Depreciable Capital Assets, Net of accumulated depreciation	27,166,721	(1,275,449)	(46,564)	25,844,708
Capital Assets, Net	\$ 34,885,115	\$ 524,320	\$ (46,564)	\$ 35,362,871

Business-Type Activities	Beginning Balance	Additions	Deductions	Ending Balance
Depreciable Capital Assets				
Equipment and Fixtures	\$ 527,316	\$ 3,111	\$ (12,532)	\$ 517,895
Total Depreciable Assets	527,316	3,111	(12,532)	517,895
Less accumulated depreciation				
Equipment and Fixtures	(449,639)	(13,207)	12,532	(450,314)
Total accumulated depreciation	(449,639)	(13,207)	12,532	(450,314)
Capital Assets, Net	\$ 77,677	\$ (10,096)	\$ -	\$ 67,581

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 7 - CAPITAL ASSETS – (Continued)

Depreciation was charged to governmental functions as follows:

<u>Instruction:</u>	<u>Amount</u>
Regular	\$ 1,815,530
Special	41,955
Vocational	12,486
Support Services:	
Pupil	2,675
Instructional Staff	60,779
General Administration	32,529
School Administration	48,396
Fiscal	694
Operations and Maintenance	54,192
Pupil Transportation	410,118
Central	36,796
Community Services	128,299
Extracurricular Activities	92,519
Total Depreciation Expense	<u><u>\$ 2,736,968</u></u>

NOTE 8 – NOTE PAYABLE

The changes in the District's notes payable during fiscal year 2010 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
2009 Note Issuance	6,000,000	-	(6,000,000)	-
Total	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ (6,000,000)</u>	<u>\$ -</u>

On September 11, 2008, the District issued a short-term Note in the amount of \$6,000,000 with an interest rate of 3.85%. On May 21, 2009 the Note was rolled-over at 3.00%, respectively. The issuance of the note was used to purchase capital assets for the District. The note was paid off during 2010.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS

During the fiscal year 2010, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u>General Obligation Debt</u>					
1993 Refunding Bonds (CAB)	\$ 3,199,457	\$ 170,323	\$ (885,000)	\$ 2,484,780	\$ 711,935
2005 Refunding	8,650,000	-	(55,000)	8,595,000	55,000
2005 Refunding (CAB)	751,584	12,935	-	764,519	-
2007 Series Bus Purchase	1,100,000	-	(100,000)	1,000,000	100,000
2009 Refunding	6,245,000	-	(1,000,000)	5,245,000	1,110,000
2010A Learning Center Bonds	-	2,435,000	-	2,435,000	-
2010A Bond Discount	-	(34,897)	-	(34,897)	-
2010B Learning Center Bonds	-	6,500,000	-	6,500,000	-
2010C Learning Center Bonds	-	5,747,770	-	5,747,770	383,185
Total General Obligation Debt	19,946,041	14,831,131	(2,040,000)	32,737,172	2,360,120
2010 Certificates of Participation	-	6,565,000	-	6,565,000	470,000
Capital Lease	-	297,480	(50,647)	246,833	54,729
Sick Leave	6,845,905	586,673	(1,032,266)	6,400,312	359,090
Vacation Leave	334,400	87,581	(38,871)	383,110	383,110
Total Other Long-Term Debt	7,180,305	7,536,734	(1,121,784)	13,595,255	1,266,929
Total Governmental Activities	27,126,346	22,367,865	(3,161,784)	46,332,427	3,627,049
Business-Type Activities:					
<u>Compensated Absences</u>					
Sick Leave	114,822	11,231	(6,789)	119,264	-
Total Business-Type Activities	114,822	11,231	(6,789)	119,264	-

1993 Refunding Bonds

In fiscal year 1993, the District issued \$13,790,160 in general obligation bonds with a net interest cost of 6.40% for the purpose of financing construction of Blacklick Elementary. These bonds will mature on 12/01/2013. Principal payments on the general obligation bonds were made from the debt service fund in the amount of \$885,000 during fiscal year 2010. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. At June 30, 2010 the outstanding balance represents capital appreciation bonds (CAB) as the District has paid off the balance of serial bonds. The amount of interest added (accrued) to the principal value outstanding during fiscal year 2010 is \$170,323.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS – (Continued)

2005 Refunding Bonds

In fiscal year 2006, the District issued \$9,119,993 in general obligation bonds with a net interest cost of 4.15% for the purpose of completing a refund of 1999 Bonds for the purpose of reducing interest payments. Principal payments on the general obligation bonds were made from the debt service fund in the amount of \$55,000 during fiscal year 2010. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. The amount of defeased debt outstanding at fiscal year-end is \$0. At June 30, 2010 the outstanding balance of capital appreciation bonds (CAB) is \$764,519. The amount of interest added (accreted) to the principal value outstanding during the fiscal year is \$12,935.

During fiscal year 2006, the District issued general obligations refunding bonds (issue #4) to advance refund a portion of general obligation issues from 1999 series building Issue #2. The advance refunding reduced cash flows required for debt services by \$512,286 over the next 14 years.

2007 Bus Purchase Bonds

On December 6th, 2007, the District issued \$1,200,000 in general obligation bonds for the purpose of acquiring school buses. The maturity date for the bonds is December 01, 2017 with a net interest cost of 3.65%. The proceeds of the bonds issued were reported in the capital project/building fund (a nonmajor governmental fund). During the fiscal year, a payment of \$100,000 in principal was made.

2009 Refunding Bonds

In fiscal year 2009, the District issued \$6,380,000 in general obligation bonds with a net interest cost of 3.00% for the purpose of completing a refund of 1999 Bonds for the purpose of rolling over notes issued in September 2008 that were used for the purchase of land for a new High School learning center. Principal payments on the general obligation bonds will be made from the debt service fund during fiscal year 2010 in the amount of \$1,000,000. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. As a result of the advance refunding, the District reduced its total debt service requirements by \$513,093, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$407,313.

During fiscal year 2009, the District issued general obligation refunding bonds (series B) to advance refund a portion of general obligation issues from 1999 series building. The amount of defeased debt outstanding at fiscal year-end is \$0.

2010 Learning Center Bonds

On February 16, 2010, the District also issued \$14,682,770 in Learning Center Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of \$2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of \$34,897. The bonds mature on December 1, 2028.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS – (Continued)

The Series 2010B Bonds were issued in the amount of \$6,500,000 with interest costs increasing each year from 5.04 to 6.10 percent. This issuance were issued as Build America Bonds with the District receiving payments from the federal government for interest payments.. The bonds mature on December 1, 2028.

The Series 2010C Bonds were issued in the amount of \$5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. The bonds mature on February 16, 2025.

The combined interest cost of the three Series 2010 Bonds is 3.70 percent.

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

Fiscal Year	Principal	Interest	Total
2011	\$ 2,463,509	\$ 1,134,036	\$ 3,597,545
2012	2,469,664	1,077,571	3,547,235
2013	2,536,008	1,029,374	3,565,382
2014	2,613,339	950,857	3,564,196
2015	1,558,185	859,736	2,417,921
2016-2020	7,770,444	3,655,065	11,425,509
2021-2025	7,685,920	2,254,460	9,940,380
2026-2029	5,675,000	658,572	6,333,572
Total	<u>\$ 32,772,069</u>	<u>\$ 11,619,671</u>	<u>\$ 44,391,740</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use 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 fiscal year-end are voted debt margin of \$132,863,711 and an unvoted debt margin of \$1,476,263.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LONG-TERM OBLIGATIONS – (Continued)

2010 Certificates of Participation

On February 1, 2010, the District entered into a ground lease agreement with Gahanna-Jefferson Education Foundation (Foundation) whereas the District leases a parcel of land to the Foundation, and subsequently constructs school facilities on the land, and the Foundation, in turn, subleases the land, and leases the constructed school facilities to the District.

On February 16, 2010, the District issued \$6,565,000 in certificates of participation for the purpose of school facilities construction in the Ohio School Facilities Commission program. The maturity date for the bonds is December 1, 2021 with interest costs increasing each year from 1.42 to 5.54 percent. The proceeds of the bonds issued were reported in the capital project/building fund.

The Certificates of Participation evidence a proportionate interest in the base rent to be paid by the District under the ground lease agreement. Base rent payments will be recorded as expenditures in the debt service fund.

The following is a summary of future base rent payments for the certificates of participation:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 470,000	\$ 257,271	\$ 727,271
2012	480,000	250,070	730,070
2013	495,000	240,514	735,514
2014	515,000	227,508	742,508
2015	540,000	210,502	750,502
2016-2020	3,170,000	659,217	3,829,217
2021-2022	895,000	31,793	926,793
Total	<u>\$ 6,565,000</u>	<u>\$ 1,876,875</u>	<u>\$ 8,441,875</u>

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as fund liability.

Compensated absences will be paid from the general fund for governmental funds, and from the fund that employee's salaries are paid for proprietary funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 10 – CAPITAL LEASE OBLIGATIONS

The District has entered into several lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. The assets acquired through these capital leases had a book value of \$267,732 (\$297,480 cost less \$29,748 accumulated depreciation) at June 30, 2010. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, were as follows:

Fiscal Year	Principal	Interest	Total
2011	\$ 54,729	\$ 17,271	\$ 72,000
2012	59,140	12,860	72,000
2013	63,906	8,094	72,000
2014	69,058	2,942	72,000
Total	<u>\$ 246,833</u>	<u>\$ 41,167</u>	<u>\$ 288,000</u>

NOTE 11 – RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year, the District purchased insurance coverage from Ohio Casualty. Coverage provided by Ohio Casualty is as follows:

General Liability Coverage

Bodily Injury and Property Damage Limit (each offense)	\$1,000,000
Personal and Advertising Injury Limit (each offense)	\$1,000,000
General Aggregate Limit	\$2,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000

Employer's Liability – Stop Gap Coverage

Bodily Injury By Accident – Each Accident	\$1,000,000
Bodily Injury By Disease	\$1,000,000
Bodily Injury By Disease – Each Employee	\$1,000,000
Aggregate Limit	\$2,000,000

School Leaders Errors and Omissions Liability Coverage

Each Wrongful Act	\$1,000,000
Aggregate Limit	\$1,000,000

Employee Benefits Liability Coverage

Each Offense Limit	\$1,000,000
Aggregate Limit	\$3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior fiscal year.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 – RISK MANAGEMENT (Continued)

B. Employee Group Life, Medical, Dental and Vision Insurance

The District maintains an internal service “self-insurance” health insurance fund in connection with formalized risk management programs in an effort to minimize risk exposure and control claims and premium costs. The District, effective July 1, 2000, contracted with United HealthCare to be the third party administrator for the District’s health insurance program. The District pays 80% of the monthly premiums for a family plan and 90% for a single plan. The District provides dental insurance to employees through Delta Dental. The Board pays 100% of the monthly premium for dental insurance.

A claims liability of \$576,820 at fiscal year-end in the self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District has purchased stop loss coverage for individual employee claim amounts exceeding \$100,000. Unpaid claims at year-end are recorded as current claims payable because they would be due within 60 days from the end of the fiscal year.

A summary of the changes in the self-insurance claims liability for the years ended June 30 as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Claims Liability at July 1	\$ 459,844	\$ 380,161	\$ 390,103
Incurred Claims	5,934,361	4,701,881	4,704,960
Claims Paid	<u>(5,817,385)</u>	<u>(4,622,198)</u>	<u>(4,714,902)</u>
Claims Liability at June 30	<u>\$ 576,820</u>	<u>\$ 459,844</u>	<u>\$ 380,161</u>

C. Workers’ Compensation

The District participates in the OSBA Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

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 school district is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 12 – PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employee Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling 800-878-5853. It is also posted on SERS' website at www.ohsers.org, under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirements Board. The Retirement Board acting with the advice of the actuary, allocates the employers contribution rate among four of the funds (Pension Trust fund, Death Benefit Fund, Medicare B Fund and Health Care Fund) of the System. For fiscal year ending June 30, 2010, the allocation to pension and death benefits is 12.78%. The remaining 1.22% of the 14% employer contribution rate allocated to the Health care and Medicare B funds. The District's contribution to SERS for the years ended June 30, 2010, 2009 and 2008, were \$1,097,476, \$1,236,936 and \$1,086,003, respectively, 49 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. The District's unpaid contribution for fiscal year 2010 has been recorded as a liability in the appropriate funds.

B. State Teachers Retirement System

Plan Description - The District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090 or by visiting the STRS Ohio Web site at www.strsoh.org.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 12 – PENSION PLANS – (Continued)

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit”, the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 12 – PENSION PLANS – (Continued)

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2010, were 10% of covered payroll for members and 14% for employers.

The School's required contributions for pension obligations for the fiscal years ended June 30, 2010, 2009, and 2008 were \$5,800,403, \$6,286,224, and \$5,788,980, respectively; 84 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. The School's unpaid contribution for fiscal year 2010 has been recorded as a liability in the appropriate funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security. At fiscal year-end, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Postemployment Benefits – In addition to a cost-sharing multiple-employer defined benefit pension plan the School Employees Retirement System of Ohio (SERS) administers two cost-sharing, multiple employer postemployment benefit plans.

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 (latest available) was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009 (latest available), the actuarially required allocation is .76 percent. The District's contributions for the years ended June 30, 2010, 2009 and 2008 were \$65,265, \$69,814, and \$11,110, respectively, 49 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – (Continued)

Health Care Plan – ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. For the year ended June 30, 2010, the health care allocation is .46 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care, including the surcharge, for the years ended June 30, 2010, 2009, and 2008 were \$169,185, \$66,264, and \$55,706, respectively, 49 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status. The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

B. State Teachers Retirement System

Plan Description - The District contributes to the cost-sharing, multiple employer postemployment benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing 275 E. Broad St., Columbus, OH 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS – (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District’s contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$446,185, \$159,854, and \$110,643, respectively; 84 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

NOTE 14 - CONTINGENCIES

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

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

NOTE 15 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	Textbooks	Captial Acquisition	Budget Stabilization
Set-aside cash balance as of July 1, 2009	\$ 11,222	\$ -	\$ 1,000,303
Current fiscal year set-aside requirement	1,151,446	1,151,446	-
Qualifying Disbursements	(1,759,073)	(1,172,250)	-
Total	<u>\$ (596,405)</u>	<u>\$ (20,804)</u>	<u>\$ 1,000,303</u>
Set-aside balance at June 30, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,303</u>

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook and capital acquisition reserves. This extra amount may be used to reduce the set-aside requirement in future fiscal years. Although Senate Bill 345 eliminated the required budget stabilization set-aside effective April 10, 2001, the School District has opted to maintain their designation to offset any budget deficit the School District may experience in future fiscal years.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- (e) Advances-In and Advance-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget Basis	\$ (8,751,674)
Adjustments (net):	
Revenue Accruals	(1,319,791)
Expenditure Accruals	(421,527)
Encumbrances	4,025,837
Interfund Transactions	119,977
 GAAP Basis	 \$ (6,347,178)

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 17 – CONTRACTUAL COMMITMENTS

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

Contractor	Contract Amount	Amount Paid	Amount Remaining
Bird Houk	\$ 712,500	\$ 565,291	\$ 147,209
Quandel	560,000	218,000	342,000
Atlas Industrial Holdings	849,000	196,599	652,401
Summit Construction	4,270,500	519,536	3,750,964
Celina Glass	419,050	5,954	413,096
S.A. Comunale Co.	148,600	-	148,600
Jess Howard Electric	1,148,115	228,124	919,991
Converse Electric	458,000	-	458,000
Greenscapes Landscape	159,631	-	159,631
Crawford Mechanical	1,672,580	-	1,672,580
Total	<u>\$ 10,397,976</u>	<u>\$ 1,733,504</u>	<u>\$ 8,664,472</u>

Contractual Commitments are primarily a result of the District’s building of Clark Hall. The project consists of a building for modern space and innovative programming for the growing student population. The building is currently in the process of being constructed.

NOTE 18 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2010, the District has implemented GASB Statement No. 51, “Accounting and Financial Reporting for Intangible Assets”, GASB Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, and GASB Statement No. 58 “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the District.

GASB Statement No. 53 improves the quality of accounting financial reporting by establishing requirements for derivative instruments. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the District.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 19 – NEW PRONOUNCEMENTS

GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2010.

GASB Statement No. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans” addresses the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2011.

GASB Statement No. 59 “Financial Statements Omnibus” updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this statement is effective for financial statements for periods beginning after June 15, 2010.

NOTE 20 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments are the net effect of changes resulting from the correction of an error. Because such amounts are the product of errors from a prior period, they are not properly included as part of the results of operations of the current period, rather are reported as a direct adjustment to beginning fund balance to restate that amount to what it would have been had the error not occurred.

The District’s fiscal year 2009 financial statements contained the following error:

1. Payment in lieu of taxes was understated by \$2,523,571.

In addition, the District’s Building Fund meets the major fund reporting criteria in fiscal year 2010, whereas in 2009 it did not. This fund needs to be reclassified accordingly.

The effects of these adjustments and reclassification on fund balances/net assets are as follows:

	General Fund	Building Fund	Other Governmental Funds	Governmental Activities
Fund Balances, June 30, 2009	\$ 28,508,878	\$ -	\$ (4,836,233)	\$ 38,113,584
Payment in Lieu of Taxes	1,476,180	-	-	2,523,571
Fund Reclassification	-	(5,543,171)	5,543,171	-
Fund Balances, July 1, 2009	<u>\$ 29,985,058</u>	<u>\$ (5,543,171)</u>	<u>\$ 706,938</u>	<u>\$ 40,637,155</u>

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL

A. DESCRIPTION OF THE SCHOOL

The Gahanna Community School (the “School”) is a nonprofit corporation established, in fiscal year 2009, pursuant to Ohio Revised Code Chapter 3314.07. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School’s tax-exempt status. The School specializes in providing educational services to chosen students through unique learning methods like web-based learning, community service, independent study and internships. The School, which is part of the state’s education program, is nonsectarian in its programs, admission policies, employment practices and all other operations.

The School is a discretely presented component unit of the Gahanna-Jefferson Public School District (Sponsor). The School was approved under contract with the Gahanna-Jefferson Public School for a period of three years commencing August 27, 2008. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration.

The School operates under the direction of a self-appointed five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualification of teachers. The School contracts with its sponsor for 4 non-certified staff members and 9 certificated teaching personnel who provide services to 80 students. The School is expecting the number of students to grow to 120 in fiscal year 2011.

On July 1, 2009 the School changed its name from Gahanna Alternative Community School to Gahanna Community School.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School 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 School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided those pronouncements do not conflict with or contradict GASB pronouncements. The School has the option to also apply FASB Statements and Interpretations issued after November 30, 1989, subject to this same limitation. The School has elected not to apply these FASB Interpretations. The School has significant accounting policies are described below.

A. Basis of Presentation

The School’s basic financial statements consist of a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

The School uses single enterprise presentation. Enterprise reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL - (Continued)

B. Measurement Focus and Basis of Accounting

Enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets. The statement of cash flows reflects how the School finances meet its cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recognized in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting. 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. Revenue resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which the School must provide local resourced to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis. Expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code (ORC) Section 5705, except House Bill 364, which took effect April 8, 2003, added ORC Section 3314.03 (11)(d), which states that community schools must comply with ORC Section 5705.391. This requires each community school to submit to the Ohio Department of Education (ODE) a five year forecast no later than May 31 and October 31 of each year.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows and for presentation on the balance sheet, investments with a maturity of three months or less at the time they are purchased are considered to be cash equivalents.

F. Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The School has maintained a capitalization threshold of \$500. The School does not have 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's life are not capitalized, but are expended when incurred.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL - (Continued)

All capital assets above the threshold are depreciated and depreciation is computed using the straight-line method. A half year of depreciation is taken in the fiscal year of the addition and the fiscal year of disposal. Computers are depreciated over 3 years, and furniture and equipment are depreciated over 10 years.

G. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the School. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

I. Intergovernmental Revenue

The School currently participates in the State Foundation Program through the Ohio Department of Education. Revenue from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met, essentially the same as the period received.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes 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 School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

J. Estimates

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

C. DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. The school does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of the School's deposits was \$103,608 and the bank balance was the same. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). There are no significant statutory restrictions regarding the deposit and investments of funds by the School.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL - (Continued)

D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Cost:				
Equipment	\$ 18,251	\$ 105,317	\$ -	\$ 123,568
Total	18,251	105,317	-	123,568
Depreciation:				
Equipment	(2,219)	(20,177)	-	(22,396)
Total	(2,219)	(20,177)	-	(22,396)
Capital Assets, net	<u>\$ 16,032</u>	<u>\$ 85,140</u>	<u>\$ -</u>	<u>\$ 101,172</u>

E. RISK MANAGEMENT

Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The policy was written under the Sponsors name and the School is responsible for the payment of such policy. In fiscal year 2010 the School was within the Sponsors property. During fiscal year 2010, the School contracted with Palmer Miller Nelson Insurance Agency, Inc as follows:

<u>Insurance Type</u>	<u>Coverage</u>	<u>Deductible</u>
Commercial General Liability	\$1,000,000 each occurrence	\$ -
Property Liability	1,000,000	500
Automobile Liability	1,000,000 each accident	-

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL - (Continued)

F. PURCHASED SERVICES

For fiscal year ended June 30, 2010, purchased services expenses were as follows:

Instructional Services	248,612
Traveling and Meeting Expenses	4,086
Rentals	62,943
Communication Services	349
Fiscal	16,290
Other Purchased Services	2,085
Total Purchased Services	<u><u>334,365</u></u>

G. CONTINGENCIES

A. Grants

The School received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall position of the School at June 30, 2010.

B. State Funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state funding is calculated. The conclusions of this review could result in state funding being adjusted. The School does not anticipate any material adjustment for fiscal year 2010, as a result of such review.

H. SPONSORSHIP

The School is a discretely presented component unit of the Gahanna-Jefferson Public School District. As described in Note 1, the Gahanna-Jefferson Public School District (Sponsor) is the School Sponsor. The Sponsor and School entered into a three-year sponsorship agreement commencing August 27, 2008 whereby terms of the sponsorship were established.

In fiscal year 2010, payments made by the School to the Sponsor totaled \$401,778, which are reported in purchased services. This represents contract service payments for teaching, furniture and equipment, and other related services provided by the Sponsor.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 21 – GAHANNA COMMUNITY SCHOOL - (Continued)

I. OPERATING LEASE

During fiscal year 2010, the School moved its location. The Sponsor is leasing two modular units for the next two years. The lease was executed in the name of School's Sponsor; however, the School is responsible for making the lease payments on a monthly basis. These units will be located adjacent to the High School for the convenience of both the students and teachers. The School paid \$10,517 in lease payments in fiscal year 2010 and is obligated to pay \$12,600 in lease payments in fiscal year 2011.

J. CHANGES IN BEGINNING NET ASSETS

Prior period adjustments are the net effect of changes resulting from the correction of an error. Because such amounts are the product of errors from a prior period, they are not properly included as part of the results of operations of the current period, rather are reported as a direct adjustment to beginning net assets to restate that amount to what it would have been had the error not occurred.

At June 30, 2009, intergovernmental payable reported by the School was understated. The effect of this understatement on beginning net assets is as follows:

	<u>Net Assets</u>
Ending Balance - June 30, 2009	\$ 5,536
Unrecorded Payables	<u>(20,108)</u>
Beginning Balance, July 1, 2009	<u><u>\$ (14,572)</u></u>

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Building Fund – A fund used to account for the revenues and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities, including real property.

Non-major Governmental Funds

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

Public School Support - A fund used to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines) that are restricted to expenditures for specified purposes approved by the board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Local Grants – A fund held by the District in a trustee capacity to be used as requested by the donating individual/agency.

Library Automation – A computer network fund for the purpose of automating the library.

District Managed Activities - A fund used 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, the drama program, etc.

Auxiliary Services - A fund used to account for monies, which provide services and materials to pupils attending non-public schools within the District.

Management Information Systems - A fund used to account for research and demonstration projects and other projects as established by the State of Ohio Department of Education.

Entry Year Program - A fund used for beginning teachers via mentors to achieve higher standards, and intensify professional development.

Data Communication - A fund used to account for monies received in order for the District to obtain access to the Ohio Educational Computer Network.

SchoolNet Professional Development - A fund used to account for a limited number of professional development subsidy grants.

Alternative Schools - A fund used to account for alternative educational programs existing and new at-risk and delinquent youth.

Other State Grants - A fund used to account for state grants received from miscellaneous state organizations.

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

IDEA-B - A fund used to account for federal funds used in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Education Stabilization - A fund used to account for federal funds used to assist states in providing an appropriate public education to all children.

Title II-D Technology - A fund used to account for federal funds used to assist states in providing support for technology for primary and secondary schools.

Title III- A fund used to account for federal funds for limited English proficiency.

Title I - A fund used to account for federal funds used to meet the special needs of educationally deprived children.

Title V - A fund used to account for federal funds used for innovative programs as part of the Elementary and Secondary Education Act (ESEA) reauthorization.

Drug Free Schools - A fund used to account for federal funds used to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in the District.

Title II-A - A fund used to account for grants for improving teacher quality.

Other Federal Grants - A fund used to account for various monies received through state agencies from the federal government or directly from the federal government, which are, not classified elsewhere.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Public School Support	Other Local Grants	Libray Automation	District Managed Activities
Assets:				
Cash and Cash Equivalents	\$ 115,915	\$ 100,679	\$ 3,206	\$ 99,103
Receivables:				
Accounts	315	-	-	3,305
Due From Other Governments	-	-	-	-
Total Assets	<u>\$ 116,230</u>	<u>\$ 100,679</u>	<u>\$ 3,206</u>	<u>\$ 102,408</u>
Liabilities:				
Accounts Payable	\$ 7,549	\$ 25,213	\$ -	\$ 3,701
Accrued Wages and Benefits	-	-	-	-
Interfund Loans Payable	-	-	-	-
Due to Other Governments	1	134	-	130
Deferred Revenue	-	-	-	-
Advance From Other Funds	-	-	-	50,000
Total Liabilites	<u>7,550</u>	<u>25,347</u>	<u>-</u>	<u>53,831</u>
Fund Balances:				
Reserved for:				
Encumbrances	8,575	6,529	-	9,997
Unreserved/Undesignated, Reported in:				
Special Revenue Funds	100,105	68,803	3,206	38,580
Total Fund Balances	<u>108,680</u>	<u>75,332</u>	<u>3,206</u>	<u>48,577</u>
Total Liabilities and Fund Balances	<u>\$ 116,230</u>	<u>\$ 100,679</u>	<u>\$ 3,206</u>	<u>\$ 102,408</u>

See accompanying notes to the basic financial statements.

<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Data Communication</u>	<u>Alternative Schools</u>	<u>Other State Grants</u>	<u>IDEA-B</u>
\$ 482,386	\$ -	\$ -	\$ -	\$ -	\$ 4,106	\$ 248,957
-	-	-	-	-	-	-
-	-	-	-	-	-	137,882
<u>\$ 482,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 386,839</u>
\$ 44,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,017
75,080	-	-	-	-	13,031	101,318
-	-	-	-	3,795	-	136,145
21,145	-	-	-	292	4,370	37,257
341,319	-	-	-	-	-	137,882
-	-	-	-	-	-	-
<u>482,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,087</u>	<u>17,401</u>	<u>459,619</u>
47,060	-	-	-	-	-	202,467
(47,060)	-	-	-	(4,087)	(13,295)	(275,247)
-	-	-	-	(4,087)	(13,295)	(72,780)
<u>\$ 482,386</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 386,839</u>

See accompanying notes to the basic financial statements.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010
(CONTINUED)

	<u>Education Stabilization</u>	<u>Title II-D Technology</u>	<u>Title III</u>	<u>Title I</u>
Assets:				
Cash and Cash Equivalents	\$ 9,899	\$ 1,116	\$ 4,697	\$ 61,114
Receivables:				
Accounts	-	-	-	-
Due From Other Governments	-	221	-	66,136
Total Assets	<u>\$ 9,899</u>	<u>\$ 1,337</u>	<u>\$ 4,697</u>	<u>\$ 127,250</u>
Liabilities:				
Accounts Payable	\$ 1,000	\$ -	\$ 17	\$ 8,516
Accrued Wages and Benefits	8,194	-	-	74,624
Interfund Loans Payable	-	261	3,677	-
Due to Other Governments	1,230	-	-	12,247
Deferred Revenue	-	221	942	70,776
Advance From Other Funds	-	-	-	-
Total Liabilities	<u>10,424</u>	<u>482</u>	<u>4,636</u>	<u>166,163</u>
Fund Balances:				
Reserved for:				
Encumbrances	-	1,116	4,680	18,246
Unreserved/Undesignated, Reported in:				
Special Revenue Funds	(525)	(261)	(4,619)	(57,159)
Total Fund Balances	<u>(525)</u>	<u>855</u>	<u>61</u>	<u>(38,913)</u>
Total Liabilities and Fund Balances	<u>\$ 9,899</u>	<u>\$ 1,337</u>	<u>\$ 4,697</u>	<u>\$ 127,250</u>

See accompanying notes to the basic financial statements.

Title V	Drug Free Schools	Title II-A	Other Federal Grants	Total Nonmajor Governmental Funds
\$ -	\$ 1,288	\$ 15,274	\$ -	\$ 1,147,740
-	-	-	-	3,620
-	1,955	-	-	206,194
<u>\$ -</u>	<u>\$ 3,243</u>	<u>\$ 15,274</u>	<u>\$ -</u>	<u>\$ 1,357,554</u>
\$ -	\$ 1,211	\$ 608	\$ -	\$ 139,674
-	-	6,955	-	279,202
-	1,955	-	-	145,833
-	-	1,133	-	77,939
-	1,955	2,541	-	555,636
-	-	-	-	50,000
<u>-</u>	<u>5,121</u>	<u>11,237</u>	<u>-</u>	<u>1,248,284</u>
-	77	3,739	-	302,486
-	(1,955)	298	-	(193,216)
-	(1,878)	4,037	-	109,270
<u>\$ -</u>	<u>\$ 3,243</u>	<u>\$ 15,274</u>	<u>\$ -</u>	<u>\$ 1,357,554</u>

See accompanying notes to the basic financial statements.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Public School Support	Other Local Grants	Libray Automation	District Managed Activities
Revenues:				
Other Local	\$ 167,024	\$ 163,710	\$ -	\$ 331,192
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	-	-	-	-
Investment Income	-	-	-	-
Total Revenues	<u>167,024</u>	<u>163,710</u>	<u>-</u>	<u>331,192</u>
Expenditures:				
Instruction:				
Regular	-	72,814	-	-
Special	-	-	-	-
Support services:				
Pupils	222	-	-	-
Instructional Staff	-	81,154	-	-
School Administration	172,741	-	-	-
Business	-	-	-	26,945
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Community Services	-	-	9,900	-
Extracurricular Activities	-	-	-	317,926
Total Expenditures	<u>172,963</u>	<u>153,968</u>	<u>9,900</u>	<u>344,871</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,939)	9,742	(9,900)	(13,679)
Fund Balances - Beginning (Restated)	114,619	65,590	13,106	62,256
Fund Balances - Ending	<u>\$ 108,680</u>	<u>\$ 75,332</u>	<u>\$ 3,206</u>	<u>\$ 48,577</u>

See accompanying notes to the basic financial statements.

<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Data Communication</u>	<u>Alternative Schools</u>	<u>Other State Grants</u>	<u>IDEA-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
918,722	12,799	-	25,150	32,368	71,089	-
-	-	-	-	-	-	1,341,766
402	-	-	-	-	-	-
<u>919,124</u>	<u>12,799</u>	<u>-</u>	<u>25,150</u>	<u>32,368</u>	<u>71,089</u>	<u>1,341,766</u>
-	-	-	-	21,189	-	-
-	-	-	-	-	-	326,896
-	-	-	-	14,274	51,713	55,045
-	-	614	-	-	25,417	903,619
-	-	-	-	-	-	106,301
-	-	-	-	-	-	-
-	15,804	-	25,150	-	-	-
1,266,387	-	-	-	400	-	138,966
-	-	-	-	-	-	-
<u>1,266,387</u>	<u>15,804</u>	<u>614</u>	<u>25,150</u>	<u>35,863</u>	<u>77,130</u>	<u>1,530,827</u>
(347,263)	(3,005)	(614)	-	(3,495)	(6,041)	(189,061)
347,263	3,005	614	-	(592)	(7,254)	116,281
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,087)</u>	<u>\$ (13,295)</u>	<u>\$ (72,780)</u>

See accompanying notes to the basic financial statements.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Education Stabilization	Title II-D Technology	Title III	Title I
Revenues:				
Other Local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	723,099	3,016	29,961	810,137
Investment Income	-	-	-	-
Total Revenues	<u>723,099</u>	<u>3,016</u>	<u>29,961</u>	<u>810,137</u>
Expenditures:				
Instruction:				
Regular	125,224	-	-	-
Special	438,115	-	-	831,696
Support services:				
Pupils	-	-	-	-
Instructional Staff	-	2,161	32,867	-
School Administration	-	-	-	-
Business	-	-	-	-
Pupil Transportation	78,168	-	-	-
Central	82,117	-	-	-
Community Services	-	-	-	5,562
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>723,624</u>	<u>2,161</u>	<u>32,867</u>	<u>837,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(525)	855	(2,906)	(27,121)
Fund Balance Beginning of Year	-	-	2,967	(11,792)
Fund Balance End of Year	<u>\$ (525)</u>	<u>\$ 855</u>	<u>\$ 61</u>	<u>\$ (38,913)</u>

See accompanying notes to the basic financial statements.

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Title II-A</u>	<u>Other Federal Grants</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 661,926
-	-	-	-	1,060,128
1,394	17,335	133,035	9,925	3,069,668
-	-	-	-	402
<u>1,394</u>	<u>17,335</u>	<u>133,035</u>	<u>9,925</u>	<u>4,792,124</u>
-	-	60,530	5,292	285,049
-	-	-	-	1,596,707
-	-	-	-	121,254
-	16,430	62,396	945	1,125,603
-	-	-	-	279,042
-	-	-	-	26,945
-	-	-	-	78,168
-	-	-	-	123,071
833	3,749	9,397	833	1,436,027
-	-	-	-	317,926
<u>833</u>	<u>20,179</u>	<u>132,323</u>	<u>7,070</u>	<u>5,389,792</u>
561	(2,844)	712	2,855	(597,668)
(561)	966	3,325	(2,855)	706,938
<u>\$ -</u>	<u>\$ (1,878)</u>	<u>\$ 4,037</u>	<u>\$ -</u>	<u>\$ 109,270</u>

See accompanying notes to the basic financial statements.

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GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Debt Service Fund			
Total Revenues and Other Sources	\$ 9,148,496	\$ 9,148,496	\$ -
Total Expenditures and Other Uses	9,132,871	9,132,871	-
Net Change in Fund Balance	15,625	15,625	-
Fund Balance - July 1	2,234,452	2,234,452	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ 2,250,077</u>	<u>\$ 2,250,077</u>	<u>\$ -</u>
Building Fund			
Total Revenues and Other Sources	\$ 15,171,420	\$ 15,171,420	\$ -
Total Expenditures and Other Uses	1,785,869	1,785,869	-
Net Change in Fund Balance	13,385,551	13,385,551	-
Fund Balance - July 1	453,635	453,635	-
Prior Year Encumbrances Appropriated	3,195	3,195	-
Fund Balance - June 30	<u>\$ 13,842,381</u>	<u>\$ 13,842,381</u>	<u>\$ -</u>
Public School Support			
Total Revenues and Other Sources	\$ 168,685	\$ 166,875	\$ (1,810)
Total Expenditures and Other Uses	183,996	180,017	3,979
Net Change in Fund Balance	(15,311)	(13,142)	2,169
Fund Balance - July 1	104,087	104,087	-
Prior Year Encumbrances Appropriated	10,664	10,664	-
Fund Balance - June 30	<u>\$ 99,440</u>	<u>\$ 101,609</u>	<u>\$ 2,169</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Other Local Grants			
Total Revenues and Other Sources	\$ 163,710	\$ 163,710	\$ -
Total Expenditures and Other Uses	184,593	162,609	21,984
Net Change in Fund Balance	(20,883)	1,101	21,984
Fund Balance - July 1	61,743	61,743	-
Prior Year Encumbrances Appropriated	6,942	6,942	-
Fund Balance - June 30	<u>\$ 47,802</u>	<u>\$ 69,786</u>	<u>\$ 21,984</u>

Library Automation

Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	9,900	9,900	-
Net Change in Fund Balance	(9,900)	(9,900)	-
Fund Balance - July 1	13,106	13,106	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ 3,206</u>	<u>\$ 3,206</u>	<u>\$ -</u>

District Managed Activities

Total Revenues and Other Sources	\$ 330,974	\$ 329,236	\$ (1,738)
Total Expenditures and Other Uses	361,201	356,105	5,096
Net Change in Fund Balance	(30,227)	(26,869)	3,358
Fund Balance - July 1	94,985	94,985	-
Prior Year Encumbrances Appropriated	18,502	18,502	-
Fund Balance - June 30	<u>\$ 83,260</u>	<u>\$ 86,618</u>	<u>\$ 3,358</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Auxiliary Services			
Total Revenues and Other Sources	\$ 1,260,443	\$ 1,260,443	\$ -
Total Expenditures and Other Uses	1,828,845	1,437,731	391,114
Net Change in Fund Balance	(568,402)	(177,288)	391,114
Fund Balance - July 1	164,517	164,517	-
Prior Year Encumbrances Appropriated	403,885	403,885	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 391,114</u>	<u>\$ 391,114</u>

Management Information Systems

Total Revenues and Other Sources	\$ 30,499	\$ 30,499	\$ -
Total Expenditures and Other Uses	33,504	33,504	-
Net Change in Fund Balance	(3,005)	(3,005)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	3,005	3,005	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Entry Year Programs

Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	2,800	2,800	-
Net Change in Fund Balance	(2,800)	(2,800)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	2,800	2,800	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Data Communication			
Total Revenues and Other Sources	\$ 25,150	\$ 25,150	\$ -
Total Expenditures and Other Uses	25,150	25,150	-
Net Change in Fund Balance	-	-	
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SchoolNet Professional Development

Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	161	161	-
Net Change in Fund Balance	(161)	(161)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	161	161	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Alternative Schools

Total Revenues and Other Sources	\$ 36,163	\$ 36,163	\$ -
Total Expenditures and Other Uses	36,163	36,163	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Other State Grants			
Total Revenues and Other Sources	\$ 71,089	\$ 71,089	\$ -
Total Expenditures and Other Uses	78,150	74,044	4,106
Net Change in Fund Balance	(7,061)	(2,955)	4,106
Fund Balance - July 1	4,810	4,810	-
Prior Year Encumbrances Appropriated	2,251	2,251	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 4,106</u>

IDEA B

Total Revenues and Other Sources	\$ 1,477,911	\$ 1,477,911	\$ -
Total Expenditures and Other Uses	1,752,439	1,752,439	-
Net Change in Fund Balance	(274,528)	(274,528)	-
Fund Balance - July 1	101,173	101,173	-
Prior Year Encumbrances Appropriated	173,355	173,355	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Education Stabilization

Total Revenues and Other Sources	\$ 723,099	\$ 723,099	\$ -
Total Expenditures and Other Uses	723,099	713,200	9,899
Net Change in Fund Balance	-	9,899	9,899
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 9,899</u>	<u>\$ 9,899</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Title II-D Technology			
Total Revenues and Other Sources	\$ 3,277	\$ 3,277	\$ -
Total Expenditures and Other Uses	3,277	3,277	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title III			
Total Revenues and Other Sources	\$ 34,580	\$ 34,580	\$ -
Total Expenditures and Other Uses	41,352	41,352	-
Net Change in Fund Balance	(6,772)	(6,772)	-
Fund Balance - July 1	2,681	2,681	-
Prior Year Encumbrances Appropriated	4,091	4,091	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title I			
Total Revenues and Other Sources	\$ 814,777	\$ 814,777	\$ -
Total Expenditures and Other Uses	886,083	851,676	34,407
Net Change in Fund Balance	(71,306)	(36,899)	34,407
Fund Balance - July 1	67,991	67,991	-
Prior Year Encumbrances Appropriated	3,315	3,315	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 34,407</u>	<u>\$ 34,407</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 - GOVERNMENTAL FUNDS

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Over/(Under)</u>
Title V			
Total Revenues and Other Sources	\$ 1,394	\$ 1,394	\$ -
Total Expenditures and Other Uses	2,614	2,614	-
Net Change in Fund Balance	(1,220)	(1,220)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	1,220	1,220	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Drug Free Schools

Total Revenues and Other Sources	\$ 19,290	\$ 19,290	\$ -
Total Expenditures and Other Uses	20,426	20,426	-
Net Change in Fund Balance	(1,136)	(1,136)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	1,136	1,136	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title II-A

Total Revenues and Other Sources	\$ 135,576	\$ 135,576	\$ -
Total Expenditures and Other Uses	147,236	136,310	10,926
Net Change in Fund Balance	(11,660)	(734)	10,926
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	11,660	11,660	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 10,926</u>	<u>\$ 10,926</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 - GOVERNMENTAL FUNDS

	Final Budget	Actual	Variance Over/(Under)
Other Federal Grants			
Total Revenues and Other Sources	\$ 9,925	\$ 9,925	\$ -
Total Expenditures and Other Uses	21,536	21,536	-
Net Change in Fund Balance	(11,611)	(11,611)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	11,611	11,611	-
Fund Balance - June 30	\$ -	\$ -	\$ -

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

COMBINING STATEMENTS ENTERPRISE FUNDS

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users of goods and services. A description of the District's Enterprise Funds follows:

Food Service - A fund used to record financial transactions related to the District's food service operation.

Community Recreation – A rotary fund to account for monies received and expended in connection with the community Parks and Recreation summer camp program, which is intended to be self-sustaining.

Special Rotary Fund – A rotary fund provided to account for the transactions made in connection with supplemental education classes and the job-training program. Receipts include, but are not limited to, tuition from patrons and students and income from outside clients for production work. Expenditures include salaries and supplies.

**GAHANNA JEEFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2010

	Business-Type-Activities - Enterprise Funds			
	Food Service	Special Rotary	Community Recreation	Total
Current Assets:				
Cash and Cash Equivalents	\$ 383,468	\$ 172,953	\$ 34,020	\$ 590,441
Accounts Receivable	723	4,447	7,320	12,490
Materials and Supplies Inventory	43,127	-	-	43,127
Total Current Assets	427,318	177,400	41,340	646,058
Noncurrent Assets:				
Depreciable capital assets	61,609	-	5,972	67,581
Total Assets	\$ 488,927	\$ 177,400	\$ 47,312	\$ 713,639
Current Liabilities:				
Accounts Payable	\$ 3,656	\$ 6,817	\$ 15,215	\$ 25,688
Accrued Wages and Benefits	164,943	-	-	164,943
Due to Other Governments	127,610	191	-	127,801
Unearned Revenue	-	38,597	-	38,597
Total Current Liabilities	296,209	45,605	15,215	357,029
Non-current Liabilities:				
Compensated Absences Payable	119,264	-	-	119,264
Advances From Other Funds	200,000	-	-	200,000
Total Non-current Liabilities	319,264	-	-	319,264
Total Liabilities	615,473	45,605	15,215	676,293
Net Assets:				
Invested in Capital Assets	61,609	-	5,972	67,581
Unrestricted	(188,155)	131,795	26,125	(30,235)
Total Net Assets	(126,546)	131,795	32,097	37,346
Total Liabilities and Net Assets	\$ 488,927	\$ 177,400	\$ 47,312	\$ 713,639

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS- PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Business-Type-Activities - Enterprise Funds</u>			
	<u>Food Service</u>	<u>Special Rotary</u>	<u>Community Recreation</u>	<u>Total</u>
Operating Revenues:				
Tuition and Fees	\$ -	\$ 167,248	\$ 54,830	\$ 222,078
Sales	1,536,427	-	8,661	1,545,088
Other Operating Revenue	1,195	15,631	9,074	25,900
Total Revenues	<u>1,537,622</u>	<u>182,879</u>	<u>72,565</u>	<u>1,793,066</u>
Operating Expenses:				
Salaries and Wages	941,070	211,936	-	1,153,006
Fringe Benefits	335,252	191	-	335,443
Purchased Services	5,586	8,661	28,274	42,521
Materials and Supplies	921,474	5,951	20,703	948,128
Depreciation	11,828	-	1,379	13,207
Other Operating Expenses	-	1,550	28,456	30,006
Total Expenditures	<u>2,215,210</u>	<u>228,289</u>	<u>78,812</u>	<u>2,522,311</u>
Operating Income (Loss)	<u>(677,588)</u>	<u>(45,410)</u>	<u>(6,247)</u>	<u>(729,245)</u>
Non-Operating Revenues:				
Operating Grants	897,663	-	-	897,663
Interest Revenue	152	-	-	152
Transfer In	-	37,000	-	37,000
Total Non-Operating Revenues	<u>897,815</u>	<u>37,000</u>	<u>-</u>	<u>934,815</u>
Change in Net Assets	220,227	(8,410)	(6,247)	205,570
Net Assets Beginning of Year	<u>(346,773)</u>	<u>140,205</u>	<u>38,344</u>	<u>(168,224)</u>
Net Assets End of Year	<u>\$ (126,546)</u>	<u>\$ 131,795</u>	<u>\$ 32,097</u>	<u>\$ 37,346</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type-Activities - Enterprise Funds			
	Food Service	Special Rotary	Community Recreation	Total
Cash Flows from Operating Activities:				
Cash Received from Tuition and Fees	\$ -	\$ 168,541	\$ 48,095	\$ 216,636
Cash Received from Sales	1,535,704	-	8,661	1,544,365
Cash Received from Other Operating Receipts	1,195	17,606	9,074	27,875
Cash Payments for Personal Services	(1,208,388)	(211,936)	-	(1,420,324)
Cash Payments for Contract Services	(5,136)	(10,360)	(15,314)	(30,810)
Cash Payments for Supplies and Materials	(852,157)	(1,962)	(20,177)	(874,296)
Cash Payments for Other Expenses	-	(1,550)	(28,456)	(30,006)
Net Cash Used for Operating Activities	<u>(528,782)</u>	<u>(39,661)</u>	<u>1,883</u>	<u>(566,560)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In (Out)	-	37,000	-	37,000
Cash from Operating Grants	789,805	-	-	789,805
Net Cash from Noncapital Financing Activities	<u>789,805</u>	<u>37,000</u>	<u>-</u>	<u>826,805</u>
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(6,613)	-	-	(6,613)
Net Cash Used for Capital and Capital Related Financing Activities	<u>(6,613)</u>	<u>-</u>	<u>-</u>	<u>(6,613)</u>
Cash Flows from Investing Activities:				
Interest on Investments	152	-	-	152
Net Cash from Investing Activities	<u>152</u>	<u>-</u>	<u>-</u>	<u>152</u>
Net Increase (Decrease) in Cash and Cash Equivalents	254,562	(2,661)	1,883	253,784
Cash and Cash Equivalents at Beginning of Year	128,906	175,614	32,137	336,657
Cash and Cash Equivalents at End of Year	<u>\$ 383,468</u>	<u>\$ 172,953</u>	<u>\$ 34,020</u>	<u>\$ 590,441</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ (677,588)	\$ (45,410)	\$ (6,247)	\$ (729,245)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:				
Depreciation	11,828	-	1,379	13,207
Commodities Expense related to Noncash Grant	107,858	-	-	107,858
Changes in Assets and Liabilities:				
Accounts Receivable	(723)	6,439	(6,735)	(1,019)
Supplies Inventory	(41,398)	-	-	(41,398)
Accounts Payable	3,307	3,307	13,486	20,100
Accrued Wages and Benefits	51,969	-	-	51,969
Due to Other Governments	11,523	(826)	-	10,697
Compensated Absences	4,442	-	-	4,442
Unearned Activities	-	(3,171)	-	(3,171)
Net Cash Provided (Used) by Operating Activities	<u>\$ (528,782)</u>	<u>\$ (39,661)</u>	<u>\$ 1,883</u>	<u>\$ (566,560)</u>

Schedule of Noncash Financing Activities

The Food Service Fund Received \$101,191 of Donated Commodities

See accompanying notes to the basic financial statements.

GAHANNA JEFFERSON CITY SCHOOL DISTRICT
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Food Service			
Total Revenues and Other Sources	\$ 2,329,096	\$ 2,326,856	\$ (2,240)
Total Expenditures and Other Uses	2,206,369	2,121,500	84,869
Net Change in Fund Balance	122,727	205,356	82,629
Fund Balance - July 1	69,000	69,000	-
Prior Year Encumbrances Appropriated	59,906	59,906	-
Fund Balance - June 30	<u>\$ 251,633</u>	<u>\$ 334,262</u>	<u>\$ 82,629</u>
Special Rotary			
Total Revenues and Other Sources	\$ 225,732	\$ 223,147	\$ (2,585)
Total Expenditures and Other Uses	250,058	239,537	10,521
Net Change in Fund Balance	(24,326)	(16,390)	7,936
Fund Balance - July 1	170,525	170,525	-
Prior Year Encumbrances Appropriated	5,089	5,089	-
Fund Balance - June 30	<u>\$ 151,288</u>	<u>\$ 159,224</u>	<u>\$ 7,936</u>
Community Recreation			
Total Revenues and Other Sources	\$ 67,997	\$ 65,831	\$ (2,166)
Total Expenditures and Other Uses	74,235	72,053	2,182
Net Change in Fund Balance	(6,238)	(6,222)	16
Fund Balance - July 1	24,041	24,041	-
Prior Year Encumbrances Appropriated	8,095	8,095	-
Fund Balance - June 30	<u>\$ 25,898</u>	<u>\$ 25,914</u>	<u>\$ 16</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Internal Service Fund

Internal Service funds are used to account for the financing of services provided by one department or agency to another department or agency on a cost reimbursement basis. A description of the District's Internal Service Fund follows:

Self-Insurance Fund - A fund provided to account for money received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claim payments, claims administration and stop-loss coverage.

GAHANNA JEFFERSON CITY SCHOOL DISTRICT
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Self-funded Insurance			
Total Revenues and Other Sources	\$ 8,296,000	\$ 8,252,408	\$ (43,592)
Total Expenditures and Other Uses	8,219,600	7,897,276	322,324
Net Change in Fund Balance	76,400	355,132	278,732
Fund Balance - July 1	952,575	952,575	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ 1,028,975</u>	<u>\$ 1,307,707</u>	<u>\$ 278,732</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Fiduciary Fund Type

Private Purpose Trust and Agency Funds

Private Purpose Trust Funds are used to account for assets held by a government in a trustee capacity. Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds. A description of the District's Fiduciary Funds follows:

Private Purpose Trust Fund - A trust fund used to account for assets held by school system in a trustee capacity for individuals, private organizations, other governmental and/or other funds.

Student Activity Fund – A 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.

GAHANNA JEFFERSON CITY SCHOOL DISTRICT
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Private Purpose Trust			
Total Revenues and Other Sources	\$ 27,851	\$ 27,580	\$ (271)
Total Expenditures and Other Uses	38,916	38,573	343
Net Change in Fund Balance	(11,065)	(10,993)	72
Fund Balance - July 1	73,226	73,226	-
Prior Year Encumbrances Appropriated	15,872	15,872	-
Fund Balance - June 30	<u>\$ 78,033</u>	<u>\$ 78,105</u>	<u>\$ 72</u>

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
Student-Managed Activities				
Assets				
Cash and Cash Equivalents	\$ 319,859	\$ 298,334	\$ (301,551)	\$ 316,642
Accounts Receivable	-	708	-	708
Materials and Supplies Inventory	43,502	-	(26,646)	16,856
Total Assets	\$ 363,361	\$ 299,042	\$ (328,197)	\$ 334,206
Liabilities				
Accounts Payable	\$ 11,391	\$ 12,223	\$ (11,391)	\$ 12,223
Due to Other Governments	573	-	(573)	-
Due To Students	351,397	311,006	(340,420)	321,983
Total Liabilities	\$ 363,361	\$ 323,229	\$ (352,384)	\$ 334,206
Employee Flexible Spending Account				
Assets				
Cash and Cash Equivalents	\$ 20,507	\$ 128,484	\$ (118,073)	\$ 30,918
Accounts Receivable	2,300	-	(2,300)	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$ 22,807	\$ 128,484	\$ (120,373)	\$ 30,918
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due To Students	25,173	128,484	(122,739)	30,918
Total Liabilities	\$ 25,173	\$ 128,484	\$ (122,739)	\$ 30,918
Total				
Assets				
Cash and Cash Equivalents	\$ 340,366	\$ 426,818	\$ (419,624)	\$ 347,560
Accounts Receivable	2,300	708	(2,300)	708
Materials and Supplies Inventory	43,502	-	(26,646)	16,856
Total Assets	\$ 386,168	\$ 427,526	\$ (448,570)	\$ 365,124
Liabilities				
Accounts Payable	\$ 11,391	\$ 12,223	\$ (11,391)	\$ 12,223
Due to Other Governments	573	-	(573)	-
Due To Students	376,570	439,490	(463,159)	352,901
Total Liabilities	\$ 388,534	\$ 451,713	\$ (475,123)	\$ 365,124

III. STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S3
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Cap	S10
These schedules contain information to help the readers assess the government's most significant local revenue source, the property tax.	
Debt Capacity	S17
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.	
Demographic and Economic Information	S22
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	S23
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS**

FISCAL YEARS	INSTRUCTIONAL SERVICES	SUPPORT SERVICES	COMMUNITY SERVICES	EXTRA-CURRICULAR	MISCELLANEOUS	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
2001	\$ 31,039,899	\$ 16,295,840	\$ 1,261,539	\$ 983,164	\$ -	\$ 9,339,022	\$ 5,002,788	\$ 63,922,252
2002	33,686,585	17,975,898	1,068,259	1,016,412	-	1,548,913	5,040,083	60,336,150
2003	33,879,633	18,093,029	1,110,985	1,069,679	-	1,504,941	5,156,843	60,815,110
2004	37,546,398	19,735,060	1,185,029	1,011,401	-	1,441,251	5,389,639	66,308,778
2005	40,208,291	20,802,773	1,483,300	1,171,856	-	1,403,145	5,376,883	70,446,248
2006	42,858,430	20,938,272	1,314,358	1,190,475	42,792	1,957,782	4,065,728	72,367,837
2007	43,944,585	24,073,115	1,632,598	1,304,556	28,705	2,038,409	3,159,660	76,181,628
2008	47,130,905	23,855,015	1,345,075	1,193,075	62,913	2,965,881	3,157,285	79,710,149
2009	49,455,770	26,310,955	1,387,400	1,250,732	367,821	7,350,719	3,149,176	89,272,573
2010	54,900,622	26,354,779	1,436,421	1,162,198	-	2,431,619	3,440,842	89,726,481

Notes:

(1) Includes General, Debt Service, Building and Other Governmental Funds.

Source: Office of the Treasurer, Gahanna-Jefferson City School District

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS

FISCAL YEARS	PROPERTY TAXES	STATE SOURCES	FEDERAL SOURCES	INVESTMENT INCOME	TUITION	OTHER	TOTAL
2001	\$ 44,439,676	\$ 13,424,945	\$ 1,221,767	\$ 1,841,132	\$ 370,679	\$ 2,638,750	\$ 63,936,949
2002	42,260,286	18,300,508	1,267,186	1,253,277	383,963	3,091,244	66,556,464
2003	44,475,146	14,169,688	1,329,342	721,447	212,768	2,757,489	63,665,880
2004	46,985,556	17,038,048	1,557,421	404,064	423,739	2,466,065	68,874,893
2005	41,978,299	18,218,969	1,807,255	856,315	405,098	2,428,207	65,694,143
2006	40,696,200	17,909,113	1,643,414	1,372,968	190,516	2,785,216	64,597,427
2007	55,361,476	19,125,501	2,316,518	1,570,168	352,127	4,546,260	83,272,050
2008	48,148,561	21,192,714	2,093,886	1,206,670	300,879	2,262,595	75,205,305
2009	52,829,685	22,651,012	3,237,019	471,801	223,159	2,565,756	81,978,432
2010	48,473,563	22,752,983	3,069,668	127,532	220,438	5,275,187	79,919,371

Notes:

(1) Includes General, Debt Service, Building and Other Governmental Funds.

Source: Office of the Treasurer, Gahanna-Jefferson City School District

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

**Net Assets by Component, Last Seven Fiscal Years
(Accrual Basis of Accounting)**

	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	\$ 1,668	\$ 6,714	\$ 9,197	\$ 7,376	\$ 8,250	\$ 11,649	\$ 11,472
Restricted	5,129	4,716	5,087	3,504	3,183	2,815	1,391
Unrestricted	37,866	31,219	21,830	32,893	27,770	23,649	21,627
Total governmental activities net assets	\$ 44,663	\$ 42,649	\$ 36,114	\$ 43,773	\$ 39,203	\$ 38,113	\$ 34,490
 Business-type activities							
Invested in capital assets, net of related debt	\$ 222	\$ 159	\$ 133	\$ 108	\$ 93	\$ 78	\$ 68
Unrestricted	20	66	54	58	-175	(246)	(30)
Total business-type activities net assets	\$ 242	\$ 225	\$ 187	\$ 166	\$ (82)	\$ (168)	\$ 38
 Primary government							
Invested in capital assets, net of related debt	\$ 1,890	\$ 6,873	\$ 9,330	\$ 7,484	\$ 8,343	\$ 11,727	\$ 11,540
Restricted	5,129	4,716	5,087	3,504	3,183	2,815	1,391
Unrestricted	37,886	31,285	21,884	32,951	27,595	23,403	21,597
Total primary government net assets	\$ 44,905	\$ 42,874	\$ 36,301	\$ 43,939	\$ 39,121	\$ 37,945	\$ 34,528

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003.
Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

**Change in Net Assets, Last Eight Fiscal Years
(Accrual Basis of Accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses								
Governmental Activities								
Instruction								
Regular	29,450,997	\$ 31,457,676	\$ 33,832,369	\$ 36,371,451	\$ 36,391,717	\$ 38,623,709	\$ 40,440,618	\$ 42,966,520
Special	5,777,795	6,850,693	7,871,474	8,800,208	9,324,084	10,095,409	10,698,891	12,250,935
Vocational	775,576	811,482	798,656	938,003	952,998	933,319	1,025,295	827,459
Support Services								
Pupils	2,396,788	2,650,532	3,231,648	3,364,165	3,202,037	3,409,976	3,921,520	3,815,240
Instructional Staff	2,753,588	2,863,314	3,062,130	3,277,989	4,318,925	4,303,041	4,514,239	4,191,805
General Administration	407,947	638,050	443,366	29,741	363,011	505,563	287,677	231,202
School Administration	4,785,813	5,351,523	5,133,972	5,936,160	6,437,690	6,299,721	7,650,509	6,751,845
Fiscal Services	1,214,960	994,712	1,614,463	938,004	1,200,155	1,357,185	1,440,112	1,585,119
Business	0	30,224	58,898	27,402	33,553	70,033	55,637	24,985
Maintenance	4,476,808	5,092,560	5,026,804	5,357,488	6,423,038	6,593,690	6,136,603	6,899,638
Pupil Transportation	1,820,203	1,998,152	1,997,835	2,274,066	2,238,298	2,691,275	2,752,517	2,959,148
Central	408,529	356,418	331,263	370,746	362,329	520,399	399,149	664,840
Community Services	1,066,540	1,189,183	1,403,803	1,440,164	1,748,237	1,405,400	1,467,572	1,428,413
Extra Curricular Activities	1,153,582	1,112,651	1,271,923	1,285,184	1,396,326	1,284,493	1,357,943	1,253,227
Construction Services	36,955	-	-	-	-	-	-	-
Miscellaneous	331,202	118,397	8,601	42,792	28,705	68,817	463,980	-
Interest and Fiscal Charges	1,736,910	1,750,191	1,422,787	1,058,443	1,496,189	1,205,273	1,014,684	1,229,512
Total governmental activities expense	<u>58,594,193</u>	<u>\$ 63,265,758</u>	<u>\$ 67,509,992</u>	<u>\$ 71,512,006</u>	<u>\$ 75,917,292</u>	<u>\$ 79,367,303</u>	<u>\$ 83,626,946</u>	<u>\$ 87,079,888</u>
Business type activities								
Food Service	1,833,720	\$ 1,712,604	\$ 1,893,506	\$ 1,949,954	\$ 1,967,248	\$ 2,241,062	\$ 2,093,024	\$ 2,215,210
Special Rotary	158,317	86,878	122,470	138,392	152,540	236,420	172,298	228,289
Community Recreation	74,505	72,787	84,397	51,303	86,845	54,890	85,742	78,812
Total Business-Type activities	<u>2,066,542</u>	<u>1,872,269</u>	<u>2,100,373</u>	<u>2,139,649</u>	<u>2,206,633</u>	<u>2,532,372</u>	<u>2,351,064</u>	<u>2,522,311</u>
Total primary government expenses	<u>60,660,735</u>	<u>\$ 65,138,027</u>	<u>\$ 69,610,365</u>	<u>\$ 73,651,655</u>	<u>\$ 78,123,925</u>	<u>\$ 81,899,675</u>	<u>\$ 85,978,010</u>	<u>\$ 89,602,199</u>
Program Revenue								
Governmental Activities								
Charges for services								
Instruction								
Regular	186,671	\$ 195,399	\$ 190,981	\$ 196,672	\$ 189,732	\$ 220,021	\$ 615,908	\$ 1,077,394
Special	212,768	423,739	405,098	190,516	352,127	300,879	-	121,466
Vocational	-	-	-	-	-	-	-	8,820
Support Services								
Instructional Staff	-	-	-	-	-	-	-	81,855
School Administration	142,679	158,342	137,391	162,888	-	-	-	217,024
Maintenance	108,126	241,248	245,501	217,751	2,661,408	678,903	362,117	148,220
Extra Curricular Activities	429,558	395,777	470,913	461,900	-	-	200,098	331,192
Interest and Fiscal Charges	-	-	-	-	-	-	412,053	-
Operating Grants/Contributions	3,058,675	3,275,844	3,766,308	3,716,244	4,098,242	4,573,343	4,969,118	4,370,505
Total governmental activities program revenue	<u>4,138,477</u>	<u>\$ 4,690,349</u>	<u>\$ 5,216,192</u>	<u>\$ 4,945,971</u>	<u>\$ 7,301,509</u>	<u>\$ 5,773,146</u>	<u>\$ 6,559,294</u>	<u>6,356,476</u>
Business type activities								
Charges for services								
Food Service	1,312,091	\$ 1,333,088	\$ 1,430,009	\$ 1,425,505	\$ 1,406,671	\$ 1,518,667	\$ 1,446,345	\$ 1,537,622
Special Rotary	89,237	156,001	142,587	157,443	174,504	169,766	178,818	182,879
Community Recreation	75,395	82,884	79,386	57,152	70,912	61,301	77,491	72,565
Operating Grants/Contributions	319,740	380,544	400,666	457,763	448,913	611,084	561,422	897,663
Total Business-Type Activities	<u>1,796,463</u>	<u>\$ 1,952,517</u>	<u>\$ 2,052,648</u>	<u>\$ 2,097,863</u>	<u>\$ 2,101,000</u>	<u>\$ 2,360,818</u>	<u>\$ 2,264,076</u>	<u>\$ 2,690,729</u>
Total primary government program revenue	<u>5,934,940</u>	<u>\$ 6,642,866</u>	<u>\$ 7,268,840</u>	<u>\$ 7,043,834</u>	<u>\$ 9,402,509</u>	<u>\$ 8,133,964</u>	<u>\$ 8,823,370</u>	<u>\$ 9,047,205</u>

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003.
Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Change in Net Assets, Last Eight Fiscal Years (Continued)
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Net (Expense)/Revenue								
Governmental Activities	\$ (54,455,716)	\$ (58,575,409)	\$ (62,293,800)	\$ (66,566,035)	\$ (68,615,783)	\$ (73,594,157)	\$ (77,067,652)	\$ (80,723,412)
Business type activities	(270,079)	80,248	(47,725)	(41,786)	(105,633)	(171,554)	(86,988)	168,418
Total primary government net expense	<u>\$ (54,725,795)</u>	<u>\$ (58,495,161)</u>	<u>\$ (62,341,525)</u>	<u>\$ (66,607,821)</u>	<u>\$ (68,721,416)</u>	<u>\$ (73,765,711)</u>	<u>\$ (77,154,639)</u>	<u>\$ (80,554,994)</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property taxes	\$ 47,250,351	\$ 44,494,481	\$ 41,736,228	\$ 40,850,429	\$ 55,642,673	\$ 47,142,393	\$ 53,167,192	\$ 48,040,262
Payment in Lieu of Taxes	1,726,121	1,424,148	1,357,693	1,688,835	1,695,120	1,304,735	1,376,107	4,698,766
Grants & entitlements not restricted to specific programs	12,440,355	15,319,625	16,329,286	16,102,786	17,343,777	19,367,447	20,918,913	21,658,340
Investment Earnings	717,438	431,410	858,264	1,331,365	1,592,381	1,152,125	513,427	79,545
Miscellaneous	164,334	52,151	25,728	58,169	-	58,846	1,816	136,191
Transfer	-	(500)	(27,599)	-	-	-	-	(37,000)
Total governmental activities general revenues and other changes	<u>\$ 62,298,599</u>	<u>\$ 61,721,315</u>	<u>\$ 60,279,600</u>	<u>\$ 60,031,584</u>	<u>\$ 76,273,951</u>	<u>\$ 69,025,546</u>	<u>\$ 75,977,455</u>	<u>\$ 74,576,104</u>
Business type activities								
Investment Earnings	\$ 2,323	\$ 1,061	\$ 2,387	\$ 3,868	\$ 3,629	\$ 4,599	\$ 1,029	\$ 152
Transfer	-	500	27,599	-	-	-	-	37,000
Total governmental activities general revenues and other changes	<u>2,323</u>	<u>1,561</u>	<u>29,986</u>	<u>3,868</u>	<u>3,629</u>	<u>4,599</u>	<u>1,029</u>	<u>37,152</u>
Total primary general government revenues and other changes	<u>\$ 62,300,922</u>	<u>\$ 61,722,876</u>	<u>\$ 60,309,586</u>	<u>\$ 60,035,452</u>	<u>\$ 76,277,580</u>	<u>\$ 69,030,145</u>	<u>\$ 75,978,484</u>	<u>\$ 74,613,256</u>
Change in Net Assets								
Governmental Activities	\$ 7,842,883	\$ 3,145,906	\$ (2,014,200)	\$ (6,534,451)	\$ 7,658,168	\$ (4,568,611)	\$ (1,090,197)	\$ (6,147,308)
Business type activities	(267,756)	81,809	(17,739)	(37,918)	(102,004)	(166,955)	(85,959)	205,570
Total primary government	<u>\$ 7,575,127</u>	<u>\$ 3,227,715</u>	<u>\$ (2,031,939)</u>	<u>\$ (6,572,369)</u>	<u>\$ 7,556,164</u>	<u>\$ (4,735,565)</u>	<u>\$ (1,176,156)</u>	<u>\$ (5,941,738)</u>

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003. Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

**Fund Balances, Governmental Funds, Last Eight Fiscal Years
(Modified Accrual Basis of Accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	1,753,711	8,276,311	11,340,908	12,117,718	21,364,301	20,199,168	23,650,591	23,334,547
Unreserved	32,688,198	28,120,188	20,985,009	13,491,965	10,389,798	10,185,497	4,858,287	303,333
Total General Fund	34,441,909	36,396,499	32,325,917	25,609,683	31,754,099	30,384,665	28,508,878	23,637,880
Other Governmental Funds								
Reserved	811,807	158,600	489,351	1,064,339	2,040,747	1,436,104	1,138,999	1,300,046
Unreserved, reported in:								
Special Revenue Funds	287,361	564,245	239,827	118,658	(103,005)	(62,447)	52,341	(193,216)
Debt Service Fund	4,633,806	5,587,121	4,883,635	3,731,252	3,581,152	2,876,827	2,762,609	2,250,078
Capital Projects Fund	18,492	51,932	38,963	(385,650)	25,711	23,093	(5,546,366)	13,142,196
Total Governmental Funds	5,751,466	6,361,898	5,651,776	4,528,599	5,544,605	4,273,577	(1,592,417)	16,499,104

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003.
Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
Change in Fund Balances, Governmental Funds
Last Eight Fiscal Years
(Modified Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:								
From local sources								
Taxes	\$ 44,475,146	\$ 46,985,556	\$ 41,978,299	\$ 40,696,200	\$ 55,361,476	\$ 48,149,561	\$ 52,829,685	\$ 48,473,563
Tuition	212,768	423,739	405,098	190,516	352,127	300,879	223,159	220,438
Other local	2,593,155	2,421,764	2,428,204	2,728,046	4,546,260	2,262,595	2,565,756	5,275,187
Intergovernmental - State	14,169,688	17,038,048	18,217,969	17,909,113	19,125,501	21,192,714	22,651,012	22,752,983
Intergovernmental - Federal	1,329,342	1,557,421	1,807,255	1,643,414	2,316,518	2,093,886	3,237,019	3,069,668
Investment Income	721,447	404,064	856,315	1,372,968	1,570,168	1,206,670	471,801	127,532
Other revenue	164,334	44,301	3	58,169	-	-	-	-
Total Revenues	\$ 63,665,880	\$ 68,874,893	\$ 65,693,143	\$ 64,598,426	\$ 83,272,050	\$ 75,206,305	\$ 81,978,432	\$ 79,919,371
Expenditures (Current):								
Instruction								
Regular	\$ 27,162,685	\$ 29,735,300	\$ 31,628,929	\$ 33,447,171	\$ 33,872,461	\$ 36,265,900	\$ 37,981,359	41,836,956
Special	5,897,549	6,829,362	7,738,105	8,541,106	9,143,465	9,961,266	10,461,375	12,185,807
Vocational	749,335	863,339	832,576	870,153	928,659	897,834	998,076	877,859
Other Instruction	-	-	-	-	-	5,904	14,960	-
Support Services								
Pupils	2,434,057	2,796,432	3,164,865	3,280,871	3,161,377	3,335,452	3,897,932	3,801,545
Instructional Staff	2,703,471	2,847,403	3,007,642	3,232,645	4,277,794	4,270,215	4,423,349	4,205,993
General Administration	409,168	584,050	443,095	29,470	346,900	505,563	256,100	217,292
School Administration	5,002,246	5,424,111	5,341,518	5,777,700	6,343,711	6,040,972	7,523,175	6,681,522
Fiscal Services	1,218,549	995,464	1,621,204	932,190	1,194,468	1,323,788	1,432,424	1,571,243
Business	-	8,754	7,306	15,369	14,193	13,465	5,348	26,945
Maintenance	4,486,777	4,988,351	5,085,044	5,217,133	6,305,866	5,700,882	5,980,392	6,553,193
Pupil Transportation	1,573,010	1,835,277	1,884,823	2,122,912	2,121,376	2,330,467	2,429,630	2,654,925
Central	265,751	255,218	247,276	329,982	307,430	334,211	362,605	642,121
Community Services	1,110,985	1,185,029	1,483,300	1,314,358	1,632,598	1,345,075	1,387,400	1,436,421
Extra Curricular Activities	1,069,679	1,011,401	1,171,856	1,190,475	1,304,556	1,193,075	1,250,732	1,162,198
Construction Services	1,475	4,500	-	-	-	-	-	-
Miscellaneous	68,589	118,397	8,601	42,792	28,705	62,913	367,821	-
Capital Outlay	1,504,941	1,436,751	1,403,145	1,957,782	2,038,409	2,965,881	7,350,719	2,431,619
Debt Service:								
Principal Retirement	3,969,335	4,322,705	4,386,976	3,357,290	2,364,605	2,378,986	2,113,192	2,090,647
Interest and Fiscal Charges	1,187,508	1,066,934	989,907	708,438	795,055	778,299	1,062,447	1,350,195
Total Expenditures	\$ 60,815,110	\$ 66,308,778	\$ 70,446,168	\$ 72,367,837	\$ 76,181,628	\$ 79,710,148	\$ 89,299,036	\$ 89,726,481
Excess (deficiency) of revenue over (under) expenditures	\$ 2,850,770	\$ 2,566,115	\$ 4,753,105	\$ (7,769,411)	\$ 7,090,422	\$ (4,503,843)	\$ (7,320,604)	\$ (9,807,110)
Other Financing (Sources) Uses								
Transfers in	10,350	3,946	6,110	-	430,303	-	-	6,354,489
Transfers (out)	(10,350)	(3,446)	(33,709)	-	(430,303)	-	-	(6,391,489)
Sale of Assets	-	-	-	-	-	-	-	78,100
Refunding issuance cost	-	-	-	(143,470)	-	-	-	-
Refunding bond issued	-	-	-	9,119,993	-	-	6,380,000	-
Payment refund bond escrow	-	-	-	(9,437,123)	-	-	(6,488,537)	-
Premium on refund bond escrow	-	-	-	460,600	-	-	240,654	-
Bonds proceeds	-	-	-	-	-	1,200,000	-	21,247,770
Premium on notes issuance	-	-	-	-	-	16,840	-	-
Discount on Bonds Issued	-	-	-	-	-	-	-	(34,897)
Inception of Capital Lease	-	-	-	-	-	-	-	297,480
Total other financing sources (uses)	\$ -	\$ 500	\$ (27,599)	\$ -	\$ -	\$ 1,216,840	\$ 132,117	\$ 21,551,453
Net Change in Fund balances	\$ 2,850,770	\$ 2,566,615	\$ 4,725,506	\$ (7,769,411)	\$ 7,090,422	\$ (3,287,003)	\$ (7,188,487)	\$ 11,744,343
Debt Service as a percentage of non capital expenditures	8.7%	8.3%	7.8%	5.8%	4.3%	4.1%	3.9%	3.9%

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003.

Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS (1)

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITIES		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
2000	898,531	2,567,231	181,223	724,892	29,848	86,280	1,109,602	3,378,403	32.84%
2001	929,286	2,655,103	169,184	676,736	25,183	71,949	1,123,653	3,403,788	33.01%
2002	1,057,601	3,021,717	195,431	814,296	30,504	87,154	1,283,536	3,923,167	32.72%
2003	1,091,561	3,118,746	112,361	488,526	33,788	96,537	1,237,710	3,703,809	33.42%
2004	1,127,088	3,220,251	90,329	376,363	30,915	88,329	1,248,332	3,684,943	33.88%
2005	1,327,022	3,791,493	76,267	100,072	35,025	305,068	1,438,314	4,196,633	34.27%
2006	1,360,220	3,886,343	49,266	262,752	32,861	93,889	1,442,347	4,242,984	33.99%
2007	1,400,668	4,001,909	30,126	241,008	26,670	76,200	1,457,464	4,319,117	33.74%
2008	1,441,225	4,117,784	3,093	49,488	28,476	81,360	1,472,794	4,248,632	34.67%
2009	1,444,827	4,128,077	1,546	39,920	29,890	85,400	1,476,263	4,244,397	34.78%

Note: (1) In thousands except ratios

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
CITY OF GAHANNA
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION) (1)

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			GAHANNA CITY	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL					
2000 for 2001	95.15	57.00	4.21	61.21	2.40	17.64	2.00	2.20	9.70
2001 for 2002	95.18	57.00	4.24	61.24	2.40	17.64	2.00	2.20	9.70
2002 for 2003	94.84	57.00	3.90	60.90	2.40	17.64	2.00	2.20	9.70
2003 for 2004	95.13	57.00	4.19	61.19	2.40	17.64	2.00	2.20	9.70
2004 for 2005	95.88	57.00	3.14	60.14	2.40	18.44	2.00	2.20	10.70
2005 for 2006	94.98	57.00	2.24	59.24	2.40	18.44	2.00	2.20	10.70
2006 for 2007	102.69	66.95	2.40	69.35	2.40	18.44	2.00	2.20	10.70
2007 for 2008	101.59	63.40	2.40	65.80	2.40	18.49	2.00	2.20	10.70
2008 for 2009	92.14	66.78	2.20	68.98	2.40	18.02	2.00	2.20	10.70
2009 for 2010	102.10	64.33	2.40	66.73	2.40	18.07	2.00	2.20	10.70

(1) The Gahanna-Jefferson City School District consists of four taxing Districts:

- Table 5a - City of Gahanna - Gahanna-Jefferson City School District
- Table 5b - Jefferson Township - Gahanna-Jefferson City School District
- Table 5c - Mifflin Township - Gahanna-Jefferson City School District
- Table 5d - City of Columbus - Gahanna-Jefferson City School District

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
JEFFERSON TOWNSHIP
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION) (1)

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	JEFFERSON TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL				
2000 for 2001	93.58	57.00	4.21	61.21	17.64	2.00	2.20	10.53
2001 for 2002	93.58	57.00	4.24	61.24	17.64	2.00	2.20	10.50
2002 for 2003	93.11	57.00	3.90	60.90	17.64	2.00	2.20	10.37
2003 for 2004	93.40	57.00	4.19	61.19	17.64	2.00	2.20	10.37
2004 for 2005	93.43	57.00	3.14	60.14	18.44	2.00	2.20	10.65
2005 for 2006	92.46	57.00	2.24	59.24	18.44	2.00	2.20	10.58
2006 for 2007	99.68	66.95	2.05	69.00	18.44	2.00	2.20	10.09
2007 for 2008	99.61	63.80	2.00	65.80	18.49	2.00	2.20	9.49
2008 for 2009	102.10	66.78	2.40	69.18	18.02	2.00	2.20	10.70
2009 for 2010	100.17	64.73	2.00	66.73	18.07	2.00	2.20	9.54

(1) The Gahanna-Jefferson City School District consists of four taxing Districts:

- Table 5a - City of Gahanna - Gahanna-Jefferson City School District
- Table 5b - Jefferson Township - Gahanna-Jefferson City School District
- Table 5c - Mifflin Township - Gahanna-Jefferson City School District
- Table 5d - City of Columbus - Gahanna-Jefferson City School District

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
MIFFLIN TOWNSHIP
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION) (1)

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL				
2000 for 2001	103.85	57.00	4.21	61.21	17.64	2.00	2.20	20.80
2001 for 2002	104.88	57.00	4.24	61.24	17.64	2.00	2.20	21.80
2002 for 2003	104.54	57.00	3.90	60.90	17.64	2.00	2.20	21.80
2003 for 2004	104.86	57.00	4.19	61.19	17.64	2.00	2.20	21.80
2004 for 2005	105.58	57.00	3.14	60.14	18.44	2.00	2.20	22.80
2005 for 2006	104.68	57.00	2.24	59.24	18.44	2.00	2.20	22.80
2006 for 2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.80
2007 for 2008	111.29	63.80	2.00	65.80	18.49	2.00	2.20	22.80
2008 for 2009	115.80	66.78	2.20	68.98	18.02	2.00	2.20	26.80
2009 for 2010	113.80	64.73	2.00	66.73	18.07	2.00	2.20	24.80

Table 5a - City of Gahanna - Gahanna-Jefferson City School District
Table 5b - Jefferson Township - Gahanna-Jefferson City School District
Table 5c - Mifflin Township - Gahanna-Jefferson City School District
Table 5d - City of Columbus - Gahanna-Jefferson City School District

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
CITY OF COLUMBUS
LAST TEN FISCAL YEARS
(PER \$1,000 OF ASSESSED VALUATION) (1)

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			TOTAL SCHOOL	COLUMBUS CITY	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY
		GENERAL FUND	BOND RETIREMENT FUND						
2000 for 2001	86.19	57.00	4.21	61.21	3.14	17.64	2.00	2.20	
2001 for 2002	86.22	57.00	4.24	61.24	3.14	17.64	2.00	2.20	
2002 for 2003	85.88	57.00	3.90	60.90	3.14	17.64	2.00	2.20	
2003 for 2004	86.17	57.00	4.19	61.19	3.14	17.64	2.00	2.20	
2004 for 2005	85.92	57.00	3.14	60.14	3.14	18.44	2.00	2.20	
2005 for 2006	85.02	57.00	2.24	59.24	3.14	18.44	2.00	2.20	
2006 for 2007	92.73	66.95	2.05	69.00	3.14	18.44	2.00	2.20	
2007 for 2008	91.63	63.80	2.00	65.80	3.14	18.49	2.00	2.20	
2008 for 2009	100.17	66.78	2.00	68.78	1.63	18.02	2.00	2.20	
2009 for 2010	92.14	64.73	2.00	66.73	3.14	18.07	2.00	2.20	

(1) The Gahanna-Jefferson City School District consists of four taxing Districts:

- Table 5a - City of Gahanna - Gahanna-Jefferson City School District
- Table 5b - Jefferson Township - Gahanna-Jefferson City School District
- Table 5c - Mifflin Township - Gahanna-Jefferson City School District
- Table 5d - City of Columbus - Gahanna-Jefferson City School District

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
TOP PRINCIPAL PROPERTY TAXPAYERS
2010 COLLECTION YEAR

	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION
<u>PUBLIC UTILITIES</u>		
1. Columbus Southern Power Co.	\$27,483,440	1.86%
<u>REAL ESTATE</u>		
1. Distribution Land Corp	38,727,540	2.62%
2. Abbot Laboratories	12,379,460	0.84%
3. Morse & Hamilton LP	10,909,610	0.74%
4. Vista at Rocky Fork LP	7,844,490	0.53%
5. IPOFA Columbus Works LLC	5,979,260	0.41%
6. McGraw-Hill	5,820,580	0.39%
7. McCutcheon GE LLC	5,020,790	0.34%
8. AERC Christopher Wren Inc	4,851,010	0.33%
9. M/I Homes of Central Ohio	4,030,630	0.27%
10. Casto Reynoldsburg	3,910,200	0.26%
ALL OTHERS	1,349,306,450	91.40%
TOTAL ASSESSED VALUATION	\$1,476,263,460	100.00%

TANGIBLE PERSONAL PROPERTY

1. XO Communications Services, Inc	1,235,590
2. Ohio Bell Telephone Company	1,130,740
3. New Par	224,800
4. Cincinnati SMSA Ltd. Partnership	158,310
5. Sprintcom, Inc.	136,200
6. Time Warner Telecom of Ohio Inc.	136,040
7. MCI Communications Services	25,750
8. Sprint Nextel Corp.	24,490
9. T Mobil Central LLC	20,500
10. TWC Digital Phone LLC	16,930

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
TOP PRINCIPAL PROPERTY TAXPAYERS
2000 COLLECTION YEAR

	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION
<u>PUBLIC UTILITIES</u>		
1. Columbus Southern Power Co.	\$14,627,350	0.73%
2. Nextlink Ohio, Inc	10,391,000	0.52%
3. Ohio Bell Telephone Co.	7,482,810	0.38%
4. Columbia Gas of Ohio Inc.	5,659,300	0.28%
<u>REAL ESTATE</u>		
1. Distribution Land Corp	36,091,930	1.81%
2. NS-MPG Inc	10,242,750	0.51%
3. Morse & Hamilton LP	9,167,610	0.46%
4. Vista at Rocky Fork LP	6,930,000	0.35%
5. AERC Christopher Wren, Inc.	4,410,000	0.22%
6. Abbot Laboratories	4,172,840	0.21%
7. Glimcher Properties LP	3,080,010	0.15%
8. Rosebrook Ltd.	2,975,000	0.15%
9. Arbors of Gahanna	2,937,170	0.15%
10. Provident Hunters	2,117,500	0.11%
ALL OTHERS	819,033,722	0
TOTAL ASSESSED VALUATION	\$939,318,992	47.20%

TANGIBLE PERSONAL PROPERTY

1. Lucent Technologies, Inc	59,899,240	3.01%
2. Abbott Laboratories	8,307,430	0.42%
3. I B M Credit Corporation	7,685,250	0.39%
4. Bath & Body Works Inc.	7,507,960	0.38%
5. Limited Services Corporation	6,773,804	0.34%
6. Limited Distribution Servcies, Inc.	6,108,379	0.31%
7. Weisheimer Companies, Inc.	5,361,780	0.27%
8. McGraw Hill Companies, Inc.	4,389,820	0.22%
9. Kroger Company	2,852,370	0.14%
10. Montell USA, Inc.	2,629,240	0.13%
TOTAL ASSESSED VALUATION	\$1,990,153,257	100.00%

SOURCE: Office of the County Auditor, Franklin County.

NOTE: Assessed Values are for the valuation year of 2008 and 1999 respectively. The personal property values are tax year 2008 as reported by the taxpayers. These are reference purposes only due to the phase out of the personal property tax.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2000	46,166,623	44,351,171	96.1%	1,742,309	46,093,480	99.8%	1,956,032	4.2%
2001	45,636,107	44,706,135	98.0%	1,478,902	46,185,037	101.2%	2,794,570	6.1%
2002	48,048,726	45,588,643	94.9%	1,376,675	46,965,318	97.7%	5,569,776	11.6%
2003	45,271,640	43,916,722	97.0%	4,002,243	47,918,965	105.8%	3,078,699	6.8%
2004	45,537,966	43,215,528	94.9%	1,474,894	44,690,422	98.1%	2,856,629	6.3%
2005	46,001,432	43,224,876	94.0%	1,104,077	44,328,953	96.4%	2,990,858	6.5%
2006	45,625,340	43,746,208	95.9%	1,224,642	44,970,850	98.6%	3,272,055	7.2%
2007	56,958,309	53,759,198	94.4%	1,705,498	55,464,696	97.4%	3,384,121	5.9%
2008	55,291,689	51,583,524	93.3%	1,554,593	53,138,117	96.1%	3,783,270	6.8%
2009	56,342,165	52,027,471	92.3%	1,665,056	53,692,527	95.3%	3,390,232	6.0%

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2010

Total Assessed Valuation	\$1,476,263,460
Overall Debt Limitation:	
9% of assessed valuation	132,863,711
Gross Indebtedness	30,063,639
Less: Debt outside limitations	0
Net debt within limitations	30,063,639
Legal debt margin within 9% limitation	102,800,072
Unvoted Debt Limitation:	
.1% of assessed valuation	1,476,263
Gross Indebtedness	0.00
Less: Debt outside limitations	0.00
Net debt within limitations	0.00
Legal debt margin within .1% limitation	\$1,476,263

Note: (1) Assessed valuation from Table 6

Source: Office of the Treasurer, Gahanna-Jefferson City School District

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA (1)

CALENDAR YEAR	ESTIMATED POPULATION (1)	ASSESSED VALUE REAL & PERSONAL PROPERTY (2)	GENERAL BONDED DEBT (3)	RATIO BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2000	32,636	1,109,602,142	38,480,867	0.0347	1,179.09
2001	33,605	1,123,653,993	35,200,867	0.0313	1,047.49
2002	33,552	1,283,536,556	31,678,867	0.0247	944.17
2003	33,194	1,237,710,627	31,565,330	0.0255	950.93
2004	34,469	1,248,329,774	23,003,103	0.0184	667.36
2005	34,469	1,438,314,691	24,662,018	0.0171	715.48
2006	35,000	1,442,347,097	22,603,323	0.0157	645.81
2007	34,170	1,451,510,389	19,946,041	0.0137	583.73
2008	34,355	1,427,337,730	22,986,928	0.0161	669.10
2009	35,200	1,476,263,460	30,063,639	0.0204	854.08

- Notes:
- (1) City of Gahanna
 - (2) Assessed value from Table 4
 - (3) Office of the Treasurer, Gahanna-Jefferson City School District

Source: Office of the Treasurer, Gahanna-Jefferson City School District

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
RATIO OF
ANNUAL GENERAL OBLIGATION BONDED DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

GENERAL OBLIGATION BOND DEBT SERVICE

FISCAL YEARS	PRINCIPAL	INTEREST	TOTAL	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)	RATIO OF GENERAL OBLIGATION BOND DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
2001	3,280,000	1,435,012	4,715,012	63,922,252	0.0738
2002	3,522,000	1,278,725	4,800,725	60,336,150	0.0796
2003	3,237,989	1,654,146	4,892,135	60,815,110	0.0804
2004	3,859,000	1,067,648	4,926,648	66,308,778	0.0743
2005	4,050,000	925,162	4,975,162	70,446,248	0.0706
2006	3,061,000	667,895	3,728,895	72,367,837	0.0515
2007	2,030,000	746,990	2,776,990	72,367,837	0.0384
2008	2,027,370	1,025,636	3,053,006	76,181,628	0.0401
2009	8,493,193	1,091,582	9,584,775	79,710,149	0.1202
2010	2,090,647	984,804	3,075,451	89,726,481	0.0343

Notes: (1) Includes General, Debt Service, and Other Governmental Funds.

(2) Includes \$7,285,000 of principal payments on bond anticipation notes.

Source: Office of the Treasurer, Gahanna-Jefferson City School District

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2009

	Assessed Valuation	General Bonded Debt	Percent Overlapping	Applicable To Gahanna-Jefferson City School District
Direct:				
Gahanna-Jefferson City School District	\$1,476,263,460	\$30,063,639	100.00%	\$30,063,639
Overlapping:				
Franklin County	28,057,690,940	228,465,000	5.26%	\$12,008,160
City of Columbus	15,965,218,710	1,018,176,051	98.00%	10,017,651
City of Gahanna	954,747,120	21,025,000	99.59%	20,938,926
Jefferson Township	488,233,400	1,415,000	73.78%	1,044,046
Mifflin Township	994,670,560	<u>1,740,000</u>	96.25%	<u>1,674,800</u>
Total overlapping		<u>1,270,821,051</u>		<u>45,683,583</u>
Total direct and overlapping debt		<u><u>\$1,300,884,690</u></u>		<u><u>\$75,747,222</u></u>

Source: Office of the County Auditor, Franklin County, Ohio

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

PROPERTY VALUE AND CONSTRUCTION
LAST TEN YEARS

CALENDAR YEAR	RESIDENTIAL		Commercial & Industrial		TOTAL # OF PERMITS	VALUE
	# OF PERMITS	VALUE	# OF PERMITS	VALUE		
2000	124	25,238,275	68	26,927,015	192	52,165,290
2001	90	15,438,697	56	9,737,630	146	25,176,327
2002	81	17,830,399	58	11,206,427	139	29,036,826
2003	287	15,371,775	55	27,647,819	342	43,019,594
2004	96	20,260,456	50	27,013,025	146	47,273,481
2005	45	10,155,440	48	17,386,340	93	27,541,780
2006	35	10,224,098	65	32,387,770	100	42,611,868
2007	221	12,510,073	93	42,775,873	314	55,285,946
2008	100	6,759,578	72	12,760,419	172	19,519,997
2009	70	5,128,120	49	10,585,081	119	15,713,201

Source: City of Gahanna.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

DEMOGRAPHICS AND OTHER MISCELLANEOUS STATISTICS

Enrollment - June, 2010 7,142

Staff - June, 2010

Certificated	479
Administrator	34
Classified	299
Psychologist	6
Total Staff	<u>818</u>

Buildings

High School	one
Middle Schools	three
Elementary Schools	seven
Central Office	one
Transportation/Maintenance	one

Classroom Teachers' Average Salary 2009-10 \$67,494

Cost per pupil - Fiscal year (all funds) 2009-10 \$11,288

Classroom Teachers Ratio 2009-10 18:1

Valuation per pupil (2010) \$208,374

Standardized Test Scores (2009-10):

	Gahanna-Jefferson	Ohio	Nation
American College Test (ACT)			
Reading.....	22.6	22.1	21.3
English.....	21.9	21.2	20.5
Mathematics.....	22.4	21.5	21.0
Science.....	22.2	21.8	20.9
Composite.....	22.4	21.8	21.0
Scholastic Aptitude Test (SAT)			
Verbal.....	545.0	538.0	501.0
Mathematics.....	571.0	548.0	516.0
Writing.....	522.0	522.0	492.0

Certiificated Degree Count FY2010

<u>Degree</u>	<u>Count</u>	<u>Degree</u>	<u>Count</u>	<u>Count</u>	<u>Percent</u>	
BA.....	30	MA.....	197	Total BA.....	128	25%
BA+12.....	14	MA+12.....	125			
BA+150....	84	MA+30.....	64	Total MA.....	461	75%
		MA+45.....	75			

Source: Gahanna-Jefferson City School District & ODE Emis Website

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

FREE AND REDUCED MEALS STATISTICS

Building	# of Students	ADM	Building Percentage	District Percentage
Blacklick Elementary	47	375	0.13	0.01
Chapelfield Elementary	132	421	0.31	0.02
Goshen Lane Elementary	225	382	0.59	0.03
High Point Elementary	28	432	0.06	0.00
Jefferson Elementary	108	473	0.23	0.02
Lincoln Elementary	122	421	0.29	0.02
Royal Manor Elementary	186	418	0.44	0.03
Middle School East	55	507	0.11	0.01
Middle School South	113	551	0.21	0.02
Middle School West	268	615	0.44	0.04
Lincoln High School	444	2,410	0.18	0.06
TOTAL	1728	7,005	0.25	0.25

Source: School District Records

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

STAFF DATA

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Professional Staff							
Teaching Staff:							
Elementary	207.1	210.0	189.4	201.3	201.4	198.8	197.0
Middle	130.2	134.9	132.1	134.2	129.2	129.9	131.0
High	141.1	142.8	138.5	138.4	138.0	136.2	134.7
Administrators	34.0	34.0	34.0	33.0	33.0	30.0	36.0
Support Positions:							
Psychologists	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Nurses	7.3	6.3	3.0	3.0	3.0	3.0	3.0
Speech*	6.0	6.8	5.0	5.2	5.6	5.6	5.4
Occupational Therapists **	3.2	0.0	0.0	4.0	2.0	2.0	0.0
Instructional Coaches	10.0	10.0	11.0	8.5	0.5	0.5	0.5
Case Managers	1.8	1.8	1.8	1.5	1.5	1.5	1.5
Counselors	14.8	14.5	13.5	13.5	13.5	13.5	13.5
Media Specialists	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Mental Health Specialist **	4.0	4.0	0.0	1.0	0.0	0.0	0.0
Secretarial	45.0	45.5	44.0	44.0	43.5	43.5	44.5
Aides	26.0	25.5	24.5	22.5	21.5	21.5	21.0
Substitute Caller	0.5	0.0	1.5	1.5	1.0	1.0	1.0
Hall Monitor/Security	5.0	5.0	5.0	2.0	2.0	2.0	2.0
Technical	11.0	3.0	3.0	4.0	4.0	4.0	4.0
Cooks/Kitchen Aides	49.0	49.0	51.0	52.0	51.0	51.0	51.0
Custodial	40.0	44.0	44.0	37.5	44.0	44.0	42.0
Maintenance	11.0	12.0	12.0	12.0	12.0	12.0	12.0
Grounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bus Drivers	48.0	44.0	46.0	44.0	45.0	44.0	43.0
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	818.0	815.2	781.3	785.1	773.7	766.1	765.1

Note:

*-Includes Auxiliary staff

**-Hired Through Franklin County Educational Services

Source: School District Records

Note: The District implemented GASB Statement 34 for the year ended June 30, 2003.

Schedules presenting government-wide information include information beginning that year.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

School District Facilities Statistics

Name of Building	Building Total Sq. Feet	Grades	Enrollment FY2010	Capacity	No. of Classroom Teachers	Pupil/ Teacher Ratio*	Year Building Completed	Date of Additions
Blacklick Elementary	53,000	K-5	395	500	18	22:1	1994	None
Chapelfield Elementary	46,940	K-5	429	500	20	22:1	1968	1991
Goshen Lane Elementary	50,115	K-5	399	500	19	21:1	1966	1990
Jefferson Elementary	60,054	K-5	510	500	22	23:1	1950	1953-99
High Point Elementary	55,000	K-5	461	500	21	22:1	1988	1992
Lincoln Elementary	45,020	K-5	445	500	22	21:1	1957	1931-68-91
Royal Manor Elementary	60,565	K-5	432	500	20	22:1	1965	1990
Middle School East	77,250	6-8	507	700	36	22:1	1975	1999
Middle School South	80,000	6-8	554	700	42	23:1	1992	None
Middle School West	88,200	6-8	614	700	38	25:1	1966	1969
Lincoln High School	432,200	9-12	2,172	2400	122	17:1	A Bldg. 1063 B Bldg. 1927 C Bldg. 1954	1968-81-95 1949-87-95 1956-68-99
Total			6,918	8,000	380			

Source: School District Records

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

HISTORICAL ENROLLMENTS BY GRADE

GRADE	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
K	470	502	442	457	388	368	410	400	457	416	444	449	492
1	541	501	523	484	506	432	429	469	439	512	485	484	489
2	566	537	505	523	498	533	455	441	482	477	545	547	486
3	554	584	521	504	516	493	519	491	443	482	491	494	521
4	537	546	573	552	508	532	521	532	522	464	517	514	499
5	545	537	539	566	536	528	556	534	556	547	483	481	599
6	559	555	561	564	588	557	565	581	563	569	569	571	546
7	582	547	541	570	566	618	559	586	590	594	586	595	562
8	573	576	563	566	556	583	640	557	580	602	609	606	522
9	549	593	632	627	592	572	607	694	555	622	603	617	589
10	453	492	494	530	562	547	530	580	648	516	573	575	622
11	439	375	395	432	449	469	474	475	523	576	524	550	540
12	394	450	406	436	438	471	464	479	508	542	535	592	590
CAREER CENTER	90	77	101	92	119	104	107	74	60	78	72	72	85
TOTALS	6,852	6,872	6,796	6,903	6,822	6,807	6,836	6,893	6,926	6,997	7,036	7,147	7,142

Source: Office of the Treasurer, Gahanna-Jefferson City School District (Final June Enrollment Count, Superintendent's Office)

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

Reports Issued Pursuant to
Government Auditing Standards
and
OMB Circular A-133

For the year ended June 30, 2010

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

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

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 43230

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider a significant deficiency in internal control over financial reporting. We consider finding 2010-01 to be a significant deficiency. 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.

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, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 15, 2010.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC

December 15, 2010

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

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 43230

To the Board of Education:

Compliance

We have audited the compliance of Gahanna-Jefferson City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

The District's basic financial statements include the operations of Gahanna Community School, a component unit of Gahanna-Jefferson City School District, which received \$188,766 in federal awards which is not included in the District's Federal Awards Expenditure Schedule for the year ended June 30, 2010. Our audit of Federal awards, described below, did not include the operations of Gahanna Community School because the component unit expended less than \$500,000 of Federal awards for the year ended June 30, 2010, thus it was not subject to OMB Circular A-133 audit requirements.

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

As described in findings 2010-02 and 2010-03 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding *allowable activities* applicable to its ARRA - State Fiscal Stabilization Fund – Education State Grants and with requirement regarding level of effort – maintenance of effort applicable to its Special Education Grants to States (IDEA, Part B). Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to these programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Gahanna-Jefferson City School District, Franklin County, Ohio complied, in all material respects, with the requirements referred to above applicable to each of its major federal programs for the year ended June 30, 2010.

The results of our auditing procedures also disclosed other instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings and questioned costs lists these instances as Findings 2010-04 through 2010-06.

Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-02 and 2010-03 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2010-04 through 2010-06 to be significant deficiencies.

The District's responses to the findings we identified are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Kennedy Cottrell Richards LLC
December 15, 2010

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR		Federal				
<i>Pass Through Grantor</i>	Grant	CFDA		Non-Cash		Non-Cash
Program Title	Year(s)	Number	Receipts	Receipts	Disbursements	Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	2009/2010	10.553	\$ 119,505	\$ -	\$ 119,505	\$ -
National School Lunch Program	2009/2010	10.555	650,796	101,191	650,796	101,191
Special Milk Program for Children	2009/2010	10.556	1,706	-	1,706	-
Total Nutrition Cluster			772,007	101,191	772,007	101,191
Fresh Fruit and Vegetable Program	2009/2010	10.582	4,000	-	4,000	-
Total U.S. Department of Agriculture			776,007	101,191	776,007	101,191
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Title I Cluster						
Title I Grants to Local Educational Agencies	2009/2010	84.010	569,123	-	597,591	-
ARRA - Title I Grants to Local Educational Agencies	2010	84.389	245,654	-	227,377	-
Total Title I Cluster			814,777	-	824,968	-
Special Education Cluster						
Special Education Grants to States	2009/2010	84.027	1,184,692	-	1,348,094	-
ARRA - Special Education Grants to States	2010	84.391	157,074	-	155,389	-
Total Special Education Cluster			1,341,766	-	1,503,483	-
Safe & Drug Free School Communities State Program	2009/2010	84.186	17,335	-	19,138	-
Foreign Language Assistance	2009	84.293	8,315	-	9,243	-
State Grants for Innovative Programs	2009	84.298	1,394	-	1,220	-
Education Technology State Grants	2009/2010	84.318	4,626	-	4,499	-
Title III	2009/2010	84.365	30,903	-	32,887	-
Improving Teacher Quality State Grants	2009/2010	84.367	135,576	-	126,370	-

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES (continued)

FOR THE YEAR ENDED JUNE 30, 2010

FEDERAL GRANTOR		Federal				
<i>Pass Through Grantor</i>	Grant	CFDA		Non-Cash		Non-Cash
Program Title	Year(s)	Number	Receipts	Receipts	Disbursements	Disbursements
ARRA - State Fiscal Stabilization Fund – Education State Grants	2010	84.394	723,099	-	713,200	-
Total U.S. Department of Education			<u>3,077,791</u>	<u>-</u>	<u>3,235,008</u>	<u>-</u>
Total			<u>\$ 3,853,798</u>	<u>\$ 101,191</u>	<u>\$ 4,011,015</u>	<u>\$ 101,191</u>

The accompanying notes are an integral part of this schedule.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2010

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. This schedule includes federal receipts and expenditures of the District but does not include the federal receipts and disbursements of the discretely presented component unit. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE C - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE E – TRANSFERS

The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the School District a total of 27 months to spend the assistance. During fiscal year 2010, the Ohio Department of Education (ODE) authorized the follow transfers:

<u>CFDA</u> <u>Number</u>	<u>Program Title</u>	<u>Grant</u> <u>Year</u>	<u>Transfers</u> <u>Out</u>	<u>Transfers</u> <u>In</u>
84.027	Special Education - Grants to States	2009	\$73,696	
84.027	Special Education - Grants to States	2010		\$73,696
84.186	Safe and Drug-Free Schools and Communities	2009	264	
84.186	Safe and Drug-Free Schools and Communities	2010		264
84.365	Title III	2009	<u>2,929</u>	
84.365	Title III	2010		<u>2,929</u>
			<u>\$76,889</u>	<u>\$76,889</u>

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	Yes
(d)(1)(vii)	Major Programs (list):	Title I Cluster CFDA: 84.010, 84.389 Special Education Cluster CFDA: 84.027, 84.391 ARRA - State Fiscal Stabilization Fund – Education State Grants CFDA: 84.394
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

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

2010-01 Significant Deficiency – Financial Reporting

The presentation of materially correct financial statements and the related footnotes is the responsibility of management of the District. Independent auditors are not part of an entity's internal control structure and should not be relied upon by management to detect misstatements in the financial statements.

Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

Our audit identified misstatements in the District's footnotes that were necessary to present the footnotes in conformity with accounting principles generally accepted in the United States of America.

We provided adjusting entries to the Treasurer which were posted and subsequently corrected the misstatements. The misstatements are an indicator the District needs to improve or strengthen their existing control procedures related to financial reporting.

We recommend the District consider modifying the existing control procedures over the financial reporting process to include an independent review of the financial statements and the related journal entries.

Official's Response

We will continue to make improvements to the financial reporting process employed at fiscal year-end related to the preparation of our financial statements and the related footnotes.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

CFDA Title and Number	ARRA - State Fiscal Stabilization Fund – Education State Grants – CFDA: 84.394
Grant Year	2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-02

Material Weakness/Material Noncompliance/Questioned Cost: Allowable Costs

American Recovery and Reinvestment Act of 2009 (ARRA), Section 14003 specifically prohibits a Local Enforcement Agency (LEA) from using Education Stabilization for the purchase of or the upgrade of vehicles.

During fiscal year 2010, the District purchased a handicapped accessible school bus in the amount of \$78,168, which is an unallowable cost per grant requirements. This amount is considered a questioned cost.

We recommend the District implement procedures to ensure the person responsible for approving grant expenditures is knowledgeable about grant requirements. Additionally, the District should continue to use the resources made available by Ohio Department of Education to obtain the requisite knowledge of grant requirements. This will help to ensure that only allowable costs are spent from grant funds.

Officials Response

We agree with the above comment and will review our current procedures to develop a corrective action plan. This corrective action plan will be submitted to Federal Clearinghouse within 30 days after receipt of the auditor's report, as required by OMB Circular A-133.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

CFDA Title and Number	<u>Special Education Cluster</u> Grants to States (Idea, Part B) – CFDA 84.027
Grant Year	2009/2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-03

Material Weakness/Material Noncompliance: Level of Effort – Maintenance of Effort

34 CFR sections 300.203 through 300.205 state in part....IDEA, Part B funds received by an Local Enforcement Agency (LEA) cannot be used, except under certain limited circumstances, to reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds, or a combination of State and local funds, below the level of those expenditures for the preceding fiscal year. To meet this requirement, an LEA must expend, in any particular fiscal year, an amount of local funds, or a combination of State and local funds, for the education of children with disabilities that is at least equal, on either an aggregate or per capita basis, to the amount of local funds, or a combination of State and local funds, expended for this purpose by the LEA in the prior fiscal year. Allowances may be made for:

- the voluntary departure, by retirement or otherwise, or departure for just cause, of special education personnel;
- a decrease in the enrollment of children with disabilities;
- the termination of the obligation of the agency, consistent with this part, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the State Enforcement Agency, because the child has left the jurisdiction of the agency, has reached the age at which the obligation of the agency to provide a FAPE has terminated or no longer needs such program of special education;
- the termination of costly expenditures for long-term purchases, such as the acquisition of equipment and the construction of school facilities; or
- the assumption of costs by the high cost fund operated by the SEA under 34 CFR section 300.704

Furthermore, for any fiscal year for which the federal allocation received by a LEA exceeds the amount received for the previous fiscal year, the LEA may reduce the level of local or State and local expenditures by not more than 50 percent of the excess. If an LEA exercises this authority, it must use an amount of local funds equal to the reduction in expenditures to carry out activities authorized under the Elementary and Secondary Education Act (ESEA) of 1965. The amount of funds expended by the LEA for early intervening services counts toward the maximum amount of State and local expenditures that the LEA may reduce. However, if an SEA determines that an LEA is unable to establish and maintain programs of FAPE that meet the requirements or the SEA has taken action against the LEA, the SEA shall prohibit the LEA from reducing its local or State and local expenditures for that fiscal year.

In Ohio, ODE determines compliance with this requirement based on information LEAs submit through EMIS using an excess cost report entitled "Formula for Calculating Excess Costs".

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

Material Weakness/Noncompliance: Level of Effort – Maintenance of Effort (continued)

Per review of the District's Excess Cost Reports provided by ODE, the District's level of effort fell from a handicapped cost per pupil of \$12,377 in fiscal year 2008 to a handicapped cost per pupil of \$12,177, which is an indication that the required level of effort was not maintained. Additionally, the District was unable to provide documentation for any of the allowances noted above and did not elect to exercise the authority to reduce the level of local or State and local expenditures by not more than 50 percent of the excess.

We recommend the District's management review the level of effort – maintenance of requirements and implement procedures to ensure the District is maintaining the required fiscal effort. Failure to maintain the required level of effort could result in reduced federal funding.

Officials Response

We agree with the above comment and will review our current procedures to develop a corrective action plan. This corrective action plan will be submitted to Federal Clearinghouse within 30 days after receipt of the auditor's report, as required by OMB Circular A-133.

CFDA Title and Number	<u>Title 1 Cluster</u> Grants to Local Education Agencies – CFDA 84.010 ARRA - Grants to Local Education Agencies – CFDA 84.389 <u>Special Education Cluster</u> Grants to States (Idea, Part B) – CFDA 84.027 ARRA - Grants to States (Idea, Part B) – CFDA 84.391
Grant Year	2009/2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-04

Significant Deficiency/Noncompliance – Payroll

2 C.F.R. 225, Attachment B, Section 8(h) states in part...Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certificates will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Furthermore the section states:

...Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h(5) of this appendix... Such documentary support will be required where employees work on:

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

Significant Deficiency – Payroll (continued)

- More than one Federal award,
- A Federal award and a non-Federal award,
- An indirect cost activity and a direct cost activity,
- Two or more indirect activities which are allocated using different allocation bases, or
- An unallowable activity and a direct or indirect cost activity.

...Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

- The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
- At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
- The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Two of the ten tested employees with payroll costs allocated to the Special Education Cluster grants and all seven of the tested employees with payroll costs allocated to Title I Cluster grants worked on multiple activities or cost objectives and their time was not supported by personnel activity reports or equivalent documentation. In each instance, the payroll costs were allocated to the grant funds on a budget basis and there was no evidence to support the procedures described above were performed.

Other procedures and support was obtained to determine that each of the employees entire pay would have been allowable costs, if adequate support documentation was used as described above, per the grant requirements. Therefore, these costs will not be questioned.

Total payroll and related benefits charged to the Special Education Cluster and the Title I Cluster during fiscal year 2010 were \$843,100 and \$659,760, respectively.

We recommend the District implement control procedures to ensure that only actual costs are being charged to the federal grant programs and that payroll costs are being supported by the various document described in 2 C.F.R. 225, Attachment B, Section 8(h).

Officials Response

We agree with the above comment and will review our current procedures to develop a corrective action plan. This corrective action plan will be submitted to Federal Clearinghouse within 30 days after receipt of the auditor's report, as required by OMB Circular A-133.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

CFDA Title and Number	<u>Title 1 Cluster</u> Grants to Local Education Agencies – CFDA 84.010 ARRA - Grants to Local Education Agencies – CFDA 84.389 <u>Special Education Cluster</u> Grants to States (Idea, Part B) – CFDA 84.027 ARRA - Grants to States (Idea, Part B) – CFDA 84.391
Grant Year	2009/2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-05

Significant Deficiency/Noncompliance: Cash Management

34 CFR 80.21 (b) states, in part...Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee.

To ensure compliance with this section, ODE includes assurances within each Project Cash Request. Consolidated Application Project Cash Request Assurances one and five provide that the funds requested by the School need to be disbursed in the month for which funds were requested.

Two out of the five cash draws tested for the Special Education Cluster and one of the six cash draws tested for the Title I Cluster were not spent in the month indicated on the Project Cash Request. Additionally, for two of the six cash draws tested for the Title I Cluster we noted that the District's accounting records did not agree with the amounts reported on the Project Cash Requests, which resulted in the District drawing more cash than was allowable be ODE guidance.

We noted these cash draws were deposited into a non-interest bearing bank account. Therefore, no interest was earned in the excess balances.

We recommend the District implement control procedures to ensure that amount used for the project cash requests are generated from the accounting records and are limited to only those amounts that are to be disbursed in the month indicated on the Project Cash Request Form.

Officials Response

We agree with the above comment and will review our current procedures to develop a corrective action plan. This corrective action plan will be submitted to Federal Clearinghouse within 30 days after receipt of the auditor's report, as required by OMB Circular A-133.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

CFDA Title and Number	<u>Title 1 Cluster</u> ARRA - Grants to Local Education Agencies – CFDA 84.389 <u>Special Education Cluster</u> ARRA - Grants to States (Idea, Part B) – CFDA 84.391
Grant Year	2009/2010
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-06

Significant Deficiency/Noncompliance: Reporting

American Recovery and Reinvestment Act of 2009 (ARRA), Section 1512 (b) & (c) requires any entity that receives certain Recovery funds directly from the Federal government (including recovery funds received through grant, loan or contract other than an individual) to submit a report to the Federal Agency not later than 10 days after the end of each calendar quarter in which the Federal Recovery funds were received. Section 1512(c)(3)(D) requires an estimate of the number of jobs created and the number of jobs retained. Section 1512(c)(4) requires detailed information on any subcontracts or subgrants awarded by the recipient to include the data elements required to comply with the Federal Funding Accountability and Transparency Act of 2006 (Public Law 109-282), allowing aggregate reporting on awards below \$25,000 or to individuals. Further, Office of Management and Budget Memo M-09-21 dated June 22, 2009 states that prime recipients may choose to delegate certain reporting requirements to sub-recipients. This memo also states several additional data elements associated with any reporting on job creation estimates by recipients and any vendors receiving funds from the prime recipient for any payments greater than \$25,000 must be reported.

The Ohio Department of Education’s American Recovery and Reinvestment Act Reporting Guidance states the Ohio Department of Education (ODE), as a prime recipient of ARRA funding, is required to report quarterly to the federal government data on ARRA programs. ODE distributes ARRA funds to local education agencies (LEAs) as sub recipients and must collect quarterly data from LEAs to meet the reporting requirements associated with ARRA funding. Among the items to be reported, the number of jobs created or retained with ARRA funds in full time equivalencies (FTE) and the vendor name and zip code are required for each vendor that received a single payment, from a single ARRA grant, in excess of \$25,000. If the vendor received multiple payments less than \$25,000, even when the total of the payments exceeds \$25,000, the vendor information should *not* be reported.

The FTE’s reported District’s quarterly 1512 reported for the Special Education and Title I ARRA grants do not agree and were not properly supported by underlying records. Additionally, the District incorrectly reported Smarted Service on the quarterly 1512 reports as a vendor that received a single payment, from the Special Education ARRA grant, in excess of \$25,000. Smarted did not receive any single payment in excess of \$25,000.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2010

Significant Deficiency/Noncompliance: Reporting (Continued)

We recommend that the District implement control procedures to ensure accurate reporting and to ensure the proper support documentation is maintained to support the information included in these reports.

Officials Response

We agree with the above comment and will review our current procedures to develop a corrective action plan. This corrective action plan will be submitted to Federal Clearinghouse within 30 days after receipt of the auditor's report, as required by OMB Circular A-133.

**GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JUNE 30, 2010

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-1	Controls over the preparation of materially correct financial statements need to be improved.	No	Partially Corrected as significant improvements were noted. Repeated as Finding 2010-01.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 43230

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Gahanna-Jefferson City School District, Franklin County, Ohio (the District), has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on September 11, 2003.
2. We read the policy, noting it included requirements 1 – 9 below but did not include item 10 from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is reported;
 - (7) A procedure for responding to and investigating any reported incident;
 - (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
 - (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

(10)A requirement that the school administration semiannually provide the president of the school board a written summary of all reported incidents and post the summary on its web site, if the school has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy Cottrell Richards LLC

December 15, 2010



Dave Yost • Auditor of State

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 15, 2011**