
Pickerington Local School District Fairfield County, Ohio

Reports on Compliance and Internal Controls and
Schedule of Expenditures of Federal Awards

June 30, 2012



Dave Yost • Auditor of State

Board of Education
Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

We have reviewed the *Independent Auditors' Report* of the Pickerington Local School District, Fairfield County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2011 through June 30, 2012. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

February 13, 2013

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Pickerington Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

Federal Agency/ Pass Through Agency/ Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. Department of Agriculture:			
<i>Passed through Ohio Department of Education:</i>			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	\$ 257,450	\$ 231,597
Cash Assistance:			
National School Breakfast Program	10.553	101,449	101,449
National School Lunch Program	10.555	908,854	908,854
Total Nutrition Cluster		<u>1,267,753</u>	<u>1,241,900</u>
Total US Department of Agriculture		<u>1,267,753</u>	<u>1,241,900</u>
U.S. Department of Education:			
<i>Passed through Ohio Department of Education:</i>			
Title I, Part A Cluster:			
Title I Grants to Local Education Agencies	84.010	554,290	547,950
ARRA - Title I Grants to Local Education Agencies	84.389	4,146	-
Total Title I, Part A Cluster		<u>558,436</u>	<u>547,950</u>
Special Education Cluster:			
Special Education Grants to States	84.027	1,553,690	1,543,552
ARRA - Special Education Grants to States	84.391	104,141	140,826
Total Special Education Cluster		<u>1,657,831</u>	<u>1,684,378</u>
Educational Technology State Grants	84.318	3,722	2,520
Improving Teacher Quality State Grants	84.367	123,193	122,942
English Language Acquisition Grants	84.365	75,027	74,477
Twenty-First Century Community Learning Centers	84.287	139,435	143,303
Education Jobs Fund	84.410	2,065,277	2,065,269
ARRA - State Fiscal Stabilization	84.394	-	488,755
ARRA - Race to the Top	84.395	78,588	70,014
Total U.S. Department of Education		<u>4,701,509</u>	<u>5,199,608</u>
Total Federal Assistance		<u>\$ 5,969,262</u>	<u>\$ 6,441,508</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

1. Significant Accounting Policies:

The accompanying schedule of expenditures of federal awards is a summary of the federal awards programs of the Pickerington Local School District. This schedule has been prepared on the cash basis of accounting.

2. U.S. Department of Agriculture Programs:

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2012 the District had no significant food commodities in inventory.

3. Matching Requirements:

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2012. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective 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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion 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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described as item 2012-001 in the accompanying schedule of findings and questioned costs, which we consider to be a significant deficiency in internal control over financial reporting. 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District, in a separate letter dated December 21, 2012.

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 the response.

This report is intended solely for the information and use of management, the Board of Education, the Auditor of State of Ohio, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clark, Schaefer, Hachett & Co." The signature is written in black ink on a white background.

Springfield, Ohio
December 21, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Board of Education
Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

Compliance

We have audited the compliance of the Pickerington Local School District (the District), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the District 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 the requirements that could have a direct and material effect on a major federal program to determine auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended, June 30, 2012, and have issued our report thereon dated December 21, 2012, which contained an unqualified opinion of those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Education, the Auditor of State of Ohio, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Springfield, Ohio
December 21, 2012

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	No
Identification of major programs:	
Education Jobs Fund CFDA 84.410	
State Fiscal Stabilization Fund – ARRA CFDA 84.394	
Dollar threshold to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

Finding 2012-001 – Audit Adjustments

The District's management is responsible for designing and implementing internal controls over financial reporting which provides reasonable assurance of the integrity of the financial reporting process, the safeguarding of assets and compliance with applicable laws, regulations and contracts.

During the audit, adjustments were noted for contracts payable and the related expenditures on the fund financial statements and capital assets on the government-wide financial statements. The District posted the necessary adjustment to the financial statements once notified.

We recommend the District review the procedures and controls in place to prepare its annual financial statements to ensure the internal control environment is sufficient to identify potential misstatements during the GAAP conversion process. The annual audit process should not be considered part of the internal controls to detect misstatements in the amounts reported on the financial statements.

Management response: The District recognizes the need for sound financial reporting. We will work closely with our GAAP conversion consultants to ensure the financial statements are both complete and accurate. The District will add an additional level of internal review and approval to enhance the internal control procedures related to financial reporting.

Section III – Federal Awards Findings and Questioned Costs

None reported.

Finding 2011-001 – Audit Adjustments

Adjustments to certain intergovernmental receivables, deferred revenue, and intergovernmental revenue, as well as reclassification of amounts within accrued wages and benefits, fund balance and net assets were made to the District's financial statements.

Status: Repeated for adjustments required to different components of the financial statements (see finding 2012-001).

Finding 2011-002 – State Fiscal Stabilization Fund, ARRA (CFDA No. 84.394)

It was noted the District did not always spend the monthly amounts received through state foundation payments in accordance with policies stipulated by the ODE.

Status: No longer applicable. The District received no funding under this program during fiscal year 2012 and spent the remaining SFSF prior to being informed about the cash management compliance issues in the prior audit. This program was completely closed out by the District in the first part of the fiscal year.



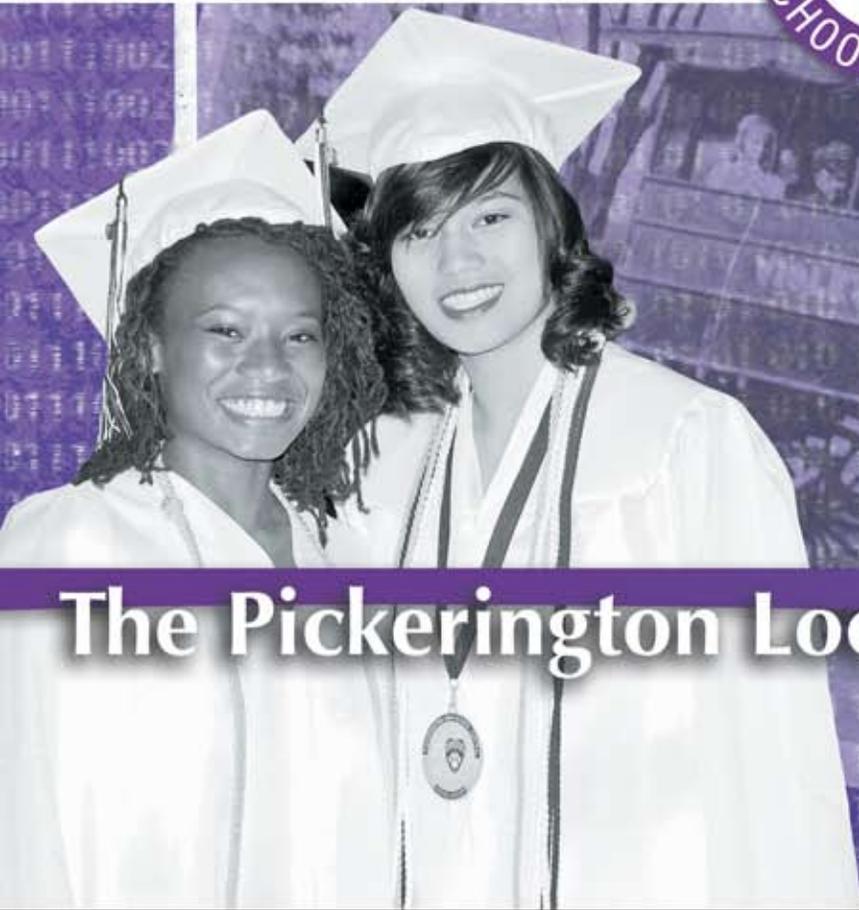
At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success

OPPORTUNITY WAY

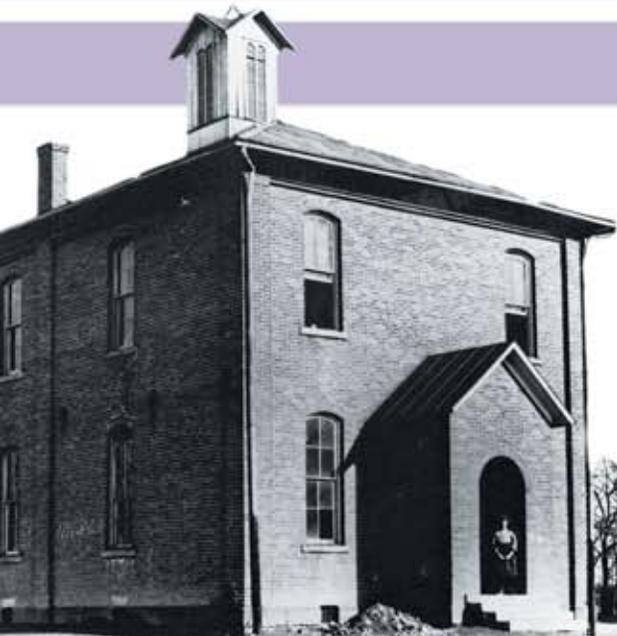


Comprehensive Annual

Financial Report



The Pickerington Local School District



The Pickerington Local School District Comprehensive Annual Financial Report

Board of Education
Pickerington Local School District
Pickerington, Ohio
For Fiscal Year Ended June 30, 2012

Celebrating Excellence Since 1909

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**PICKERINGTON LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2012

**PREPARED BY
TREASURER'S DEPARTMENT
DAN GRISCOM, TREASURER**

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INTRODUCTORY SECTION

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**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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PICKERINGTON LOCAL SCHOOL DISTRICT

Office of the Treasurer

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December 21, 2012

To the Board of Education and the Citizens of the Pickerington Local School District:

As the Treasurer of the Pickerington Local School District (the "District"), I am pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. The CAFR for the fiscal year ended June 30, 2012 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

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

The basic financial statements of the District for the fiscal year ended June 30, 2012, were audited by Clark Schaefer Hackett, whose opinion thereon is included at the beginning of the Financial Section of this report.

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

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

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

PROFILE OF THE DISTRICT

The District originated in the late 1800's, built its first building in 1907, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is located in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, three middle schools, and seven elementary schools as of June 30, 2012. The District had approximately 10,285 students enrolled during the 2011-12 school year.

The District provides a wide variety of educational and support services as mandated by State statute or public desires. These include regular and vocational instruction, special instructional programs for handicapped and gifted students, student guidance and health services, as well as extracurricular activities. The District has a reputation of academic excellence as measured by student academic results on State-mandated assessments.

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

The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. The Treasurer is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as permitted by Ohio law. Other Board-appointed officials, reporting to the Superintendent, include the Assistant Superintendent, the Director of Human Resources, the Director of Student Services and the building principals.

Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

Management believes that the District's internal controls adequately meet the above objectives.

Budgetary Controls:

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

Instructional Organization:

The District provides a wide variety of educational and support services. This includes regular and vocational instruction; special instructional programs for English as a second language (“ESL”), students with disabilities and gifted students; student guidance and health services; as well as extracurricular activities.

While rapid growth in student population has presented many challenges - providing student housing, maintaining appropriate class sizes, and additional efforts to ensure horizontal and vertical articulation of instruction - growth has also provided the District opportunities it otherwise might not have had.

The community has supported the District’s housing needs and the need for reorganization has resulted in grade level spans that have improved opportunities for students and enhanced instruction. In 1989, the District approved a bond issue that funded a state-of-the-art high school for 1,800 students. As a result, grades 7 and 8 were relocated to the junior high school (the old high school building) and grade 5 was moved from the elementary buildings to be relocated with the sixth grade, forming a middle school and resulting in the District’s present configuration of building spans – K-4, 5-6, 7-8, and 9-12.

In November of 1997, the District passed another bond issue. This issue, coupled with a \$6.7 million interest-free State loan, supported the construction of two new middle schools (grades 5-6) and the renovation of the middle grade facility to serve as an additional elementary school. These two middle schools were built to facilitate the District’s teaming program.

August 2001 marked the reopening of our “East Street Facility” (the previous middle school) as Heritage Elementary. This facility housed the District’s original K-12 school since 1907. It was closed for one year to enable contractors to complete an extensive renovation that was completed in fiscal year 2002.

Our community’s greatest building achievement was passed in November 2000. The District residents passed a \$77.5 million bond issue as well as a 3 mill-operating levy during its first attempt. These dollars were used to construct Pickerington High School North and Lakeview Junior High School, which opened in August of 2003.

The voters approved a \$59.9 million bond issue in fiscal year 2007 for the purpose of constructing a middle school and two elementary buildings. Construction was completed in the summer of 2009. The three new buildings opened on schedule at the beginning of the 2009-10 school year.

In May 2009, the voters approved the extension of a classroom facilities maintenance levy. This approval enabled the District to qualify for \$50 million in State funds from the Ohio School Facilities Commission, which has been used for the renovation of five of the district’s oldest school buildings.

The District’s two high school facilities have supported enhanced computer usage and instruction, a growing broadcast journalism program, a satellite tech prep program through Eastland-Fairfield Career and Technical Schools, a STEM offering, integrated instruction in algebra, chemistry, English and American history, as well as other program improvements in the arts.

While Pickerington High School Central and Pickerington High School North have well-deserved reputations of being two of the finest public high schools in Ohio, efforts have been made to identify and evaluate ways to better meet the needs and interests of students. Included in these efforts is intervention in reading and math for struggling students, the creation of a conversion community school, mentoring, internships, “double-blocking” of classes to enhance time usage, redefining requirements for honors classes, a review of the graduation requirements, an increase in athletic academic eligibility standards, and a variety of advanced placement course offerings.

STUDENT ACHIEVEMENT

Scholastic Performance: For the 2011-2012 school year, the District met 26 out of 26 indicators on the Ohio Department of Education’s Local Report Card for schools. In addition, the District earned a Performance Index of 103.5, and met the federal Adequate Yearly Progress goals established by No Child Left Behind with eight subgroups of students. Pickerington Local Schools earned an “Excellent with Distinction” rating by the Ohio Department of Education. The District graduated 91.2% of students for the 2011-12 school year, exceeding the State requirement of 90%.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Data Analysis: Building Leadership Teams analyze and disaggregate all value-added and achievement results with all teachers of Core Content areas. Data from Ohio Achievement Tests (administered to grades levels 3-8) and the Ohio Graduation Tests are analyzed by grade level, content area, and subgroups including standard, response type and item analysis. Teacher-leaders receive training on using data to inform instructional decisions in the classroom.

The District uses data to implement a Response to Intervention (RTI) model so that students who demonstrate below Reading and Mathematics grade-level skills receive targeted assistance for improvement. Intervention is provided to struggling learners by both the classroom teacher and intervention teacher.

Professional Development: Job-embedded professional learning opportunities are provided to all teaching staff during weekly grade level/content team meetings and State-granted waiver days. Professional development revolves around implementation of the Common Core Standards, using research-based instructional strategies and incorporating 21st Century skills into daily practice. Building Core Teams analyze data to craft Continuous Improvement Plans (CIP). Professional development is provided to teams of teachers based on the instructional needs at the building, grade, or subject level. Instructional Coaches at grades K-12 assist teachers as they meet the needs of all students and implement differentiated instructional practices.

Gifted & Talented Programs: The District currently operates in-house programs for gifted and talented students at each elementary and middle school by delivering a compacted mathematics curriculum. A gifted intervention specialist in each elementary building also allows time for these teachers to act as a gifted resource to all classroom teachers. There are also acceleration/enrichment opportunities for advanced students at the secondary level.

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

Foreign Languages: Eighth (8th) grade students are able to enroll in an elective study of German, Spanish, and French to complete a first year high school credit. American Sign Language is also offered at the high school. These additions have provided District students an opportunity to enroll in a fifth year of foreign language as seniors if they begin their foreign language studies at the junior high level.

High School Credit as an Option for Junior High Students: Junior High students have the option of earning High School credits for Algebra, Honors Algebra, Foreign Language, and Earth Science courses.

Arts Instruction: The District believes in the importance of providing opportunities for all its students to experience and excel in arts education. Music and visual arts teachers provide instruction to students 1-12. Each of our elementary and middle school buildings are served by a Global Integration Team made up of art, music, physical education, and media/technology teachers. All students at the junior high level are enrolled in a creative arts block. Beginning in the sixth grade in middle school, students have the opportunity to enroll in instrumental music (including a strings program). At the junior high this is expanded to include both vocal and instrumental music. Students enroll in visual, vocal and instrumental music and performing arts programs at the high school level.

Technology in Instruction: The District recognizes that technology has become an integral part of education. In addition, technology is a tool to facilitate the 21st Century skills for college and career readiness for all students. A comprehensive District plan embeds technology use into communication, instruction, intervention, data reporting and data analysis.

Currently, the District is improving communications with parents by providing on-line access to student's academic progress. The District also has a listserv that is utilized by principals and the District Director of Communications to keep parents informed about District news and events. Teachers have technology web pages and are providing on-line information about homework assignments.

The District created a Technology Help Desk that makes technical services for teachers more efficient.

Summer School Opportunities: The District offers a summer intervention program for students who have not met the State's proficient level on the Grade 3 Reading Achievement Assessment. Summer intervention is available for high school students in all content areas in preparation for re-taking the Ohio Graduation Test. High School students have the opportunity to earn Physical Education credit during summer months. The District also offers credit recovery and flexible credit options during the summer.

Intervention is provided for students in grades 1-6 during the regular school day through the Response to Intervention process.

Pickerington Community School: On August 8, 2011, the Pickerington Local School District Board of Education entered into an agreement to sponsor the Pickerington Community School (PCS). PCS is a conversion community school which was created to provide high quality education to its students and contribute to Pickerington's effort to provide quality education options to all children including those at risk of not graduating.

The mission of PCS is to provide its students with a customized and personalized educational experience leading to high school graduation and meaningful post-school employment or successful transition into post-high school education.

PCS is designed as a drop-out prevention/credit recovery high school that serves grades 9-12 and primarily ages 16-21. The focus is on helping students attain the necessary graduation requirements and provide involvement in career and community workforce.

Comprehensive Continuous Improvement Plan: The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District including: improving student achievement and hiring of teachers who are highly qualified. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title VI-B (IDEA - Part B Special Education). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2012.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. Our District has been awarded the 21st Century Learning Grant to provide after-school intervention to junior high students. The District is also receiving federal funds by being a Race to the Top district; this money is connected to professional development opportunities related to the implementation of revised content standards.

Special Education: The District's special education program provides a full continuum of services from kindergarten through 12th grade based on the individual needs of its 1,302 students on Individualized Education Programs (IEPs). Services are provided in all 14 buildings as well as programs outside of the district. These services range from inclusion support to homebound/hospitalization. Some low incidence classrooms are shared across the district requiring some students to be transported outside of their home building in order to receive the services that are offered in those classrooms. These would include resource rooms that typically serve multiple disabilities, emotional disturbance, and cognitive disabilities. The District supports these classrooms through smaller class sizes (based on State requirements), intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 32 low incidence classrooms that either service the buildings in which they are located or are shared across the District. Each building has at least one special education cross-categorical teacher that serves identified students in the building. Students in special education resource rooms receive a range of services from instruction in a content area to supporting classroom teachers by addressing specific skill deficits a student may have. The District also offers inclusion support in many buildings with its special education teachers. These teachers support and co-teach with regular education teachers in the general education setting without pulling the IEP students from the classroom. Pickerington has 52 teachers that provide cross-categorical resource room services, inclusion support in the regular classroom, or even a combination of both.

These classrooms are supported by a well-experienced related services and support staff consisting of six school psychologists, nearly 7.7 speech therapists, 2.2 occupational therapists, one adaptive physical education teacher, one physical therapist, one assistive technology/visual impairment teacher, one academic/behavior coach, a work-study coordinator and 46 paraprofessionals. Some additional services are contracted with other agencies as well. All these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by five special education administrators. A special education director oversees all the programs at the district level. Three special education secretaries maintain the special education records and enter critical information into the Education Management Information System (EMIS).

The District contracts with the Fairfield County Educational Service Center to provide special education services to 89 preschoolers. The preschool classrooms may serve up to eight special needs and four typical students in each classroom. The services for preschoolers may be center-based or itinerate based on the needs of the 3-5 year old students. The center-based program supports the students with a variety of related services.

ECONOMIC CONDITION AND OUTLOOK

The District is located primarily in Fairfield County, with a small portion extending into Franklin County. The District covers approximately 37 square miles in and around the City of Pickerington. Located approximately 15 miles from downtown Columbus, Ohio, the District is largely rural/suburban in character and is considered a growing, middle-class suburb of Columbus. The Columbus area has maintained a strong economic climate, even during periods of recession. This is due to the fact that Columbus is the State capital, and is the national headquarters for many corporations and insurance companies. There are also a number of universities in the area which contribute to a stable local economy. This stability has contributed to the growth of the District.

In 1990, the community approved a school district income tax. The income tax has proven to be a strong source of income for the District over the years, and it provides an effective balance to the traditional property tax.

As can be seen in the financial statements, voters have routinely supported the District in its efforts to keep pace with increased student population and increased costs. However, as in many other school districts, the District and residents were negatively impacted by the recession beginning in 2008. The District responded by reducing expenditures and by placing a levy on the ballot to replace decreasing State and local revenues. On November 2, 2010, voters narrowly defeated a replacement operating levy of 8 mills, which would have resulted in a 6.84 mill increase. The levy would have generated approximately \$7.6 million per year. Due to the levy loss, the District implemented substantial budget reductions for fiscal year 2012.

In June 2011, the Board reached a two-year agreement with the Pickerington Education Association which enabled the District to realize substantial savings in salaries and benefits.

On August 2, 2011, District voters approved a new levy of 5.5 mills for a continuing period of time. The levy commenced in tax year 2011 with collections beginning January 2012. This levy generates approximately \$5.95 million per year. The levy proceeds are being used for current operating expenses. The District's leadership believes that the recent budget reductions and the savings from the negotiated agreement with teachers, in combination with the passage of the August 2011 levy, has provided much-improved financial stability for the District for fiscal year 2012 and future years.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. Beginning in FY2012, House Bill 30 repealed the requirement to set aside funds for acquisition of textbooks and instructional materials. Therefore in FY2012, only one category of "set-aside" or reserve is pertinent to the District: the capital acquisition set-aside which is still required by State statute. For fiscal year 2012, the District had offsets and qualifying disbursements which well exceeded the required set-aside. Given the District's current and anticipated expenditure patterns and levels, the Board expects to exceed this requirement for the foreseeable future.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickerington Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Daniel C. Griscom

Treasurer

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

JUNE 30, 2012

Board of Education Members

President	Mrs. Lori Sanders
Vice President	Mrs. Cathy Olshefski
Member	Dr. James Brink
Member	Mr. R. Clayton Lopez
Member	Mrs. Lisa Reade

Appointed Officials

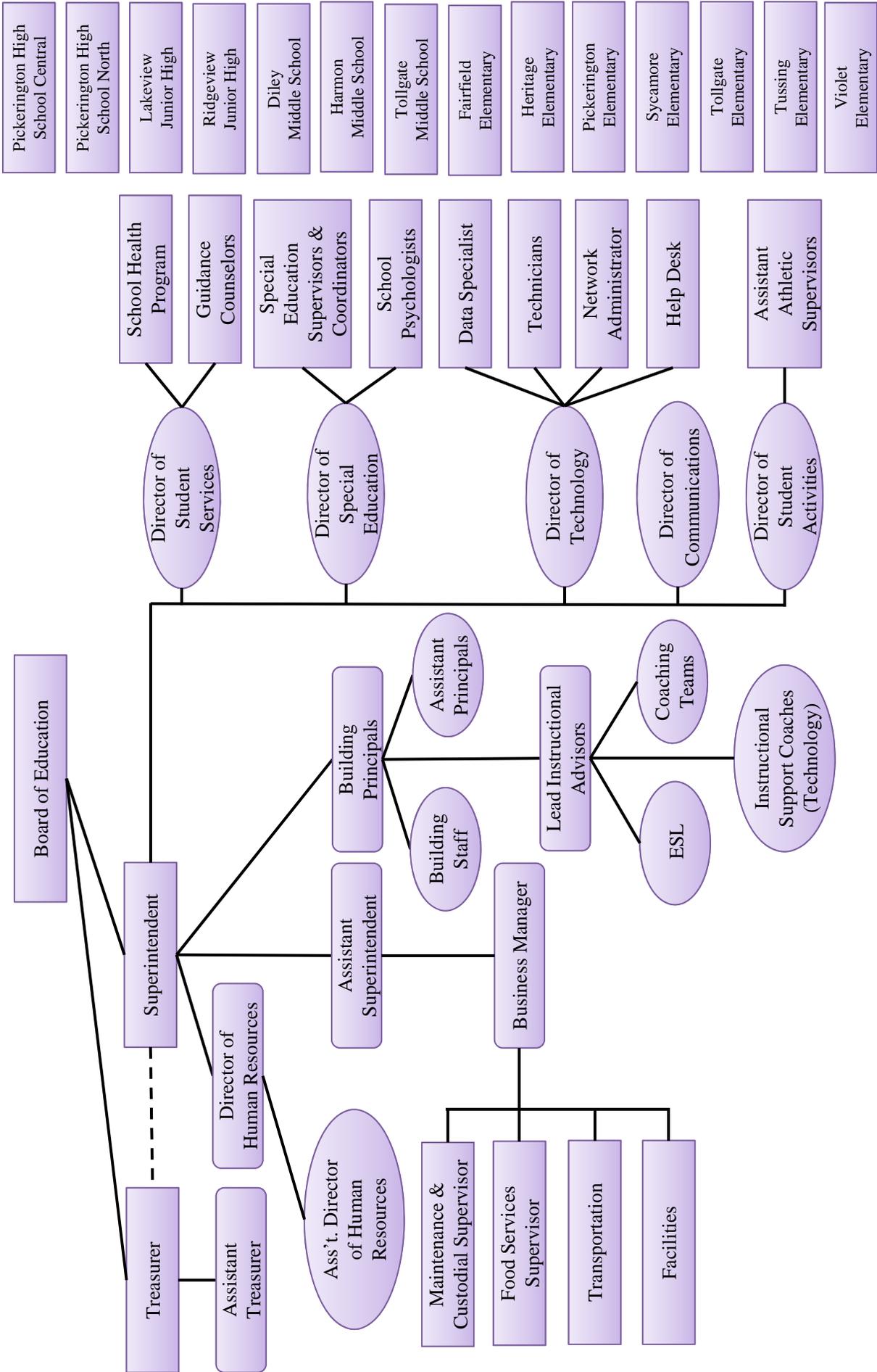
Interim Superintendent*	James Sotlar
Treasurer	Daniel C. Griscom

Administrative Staff

Interim Assistant Superintendent	Bob Blackburn
Director of Human Resources	Debra Porter-Sawyer
Director of Student Services	Michael Smith
Assistant Treasurer	Keltah Houser-Siders
Business Manager	W. Vince Utterback
Principal, Pickerington High School North	Cindi Goldhaber
Principal, Pickerington High School Central	Zack Howard
Principal, Lakeview Junior High School	Jeff Clark
Principal, Ridgeview Junior High School	Susan Caudill
Principal, Diley Middle School	Heather Hedgepeth
Principal, Toll Gate Middle School	D. Mark Jones
Principal, Harmon Middle School	Lee Ann Yoakum
Principal, Fairfield Elementary School	Ruth Stickel
Principal, Heritage Elementary School	Jennifer Russell
Principal, Pickerington Elementary School	Melissa Moriarty
Principal, Tussing Elementary School	Jeannette Henson
Principal, Violet Elementary School	D. Mark Jones
Principal, Toll Gate Elementary School	Kristi Motsch
Interim Principal, Sycamore Creek Elementary School	Brittany Turnbull

*Effective August 1, 2012, Rob Walker became Superintendent of the District and James Sotlar resumed his position as Assistant Superintendent.

Pickerington Local School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Pickerington Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Education
Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District (the District) as of and for the year ended June 30, 2012, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position 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 21, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F3 through F14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
December 21, 2012

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

The management's discussion and analysis of the Pickerington Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets of governmental activities increased \$2,682,264 which represents a 3.84% increase from 2011.
- General revenues accounted for \$101,918,391 in revenue or 89.08% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,491,202 or 10.92% for total revenues of \$114,409,593.
- The District had \$111,727,329 in expenses related to governmental activities; only \$12,491,202 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$101,918,391 were adequate to provide for these programs.
- The District's major governmental funds include the general fund, District debt service fund and classroom facilities fund. The general fund had \$92,573,623 in revenues and \$87,008,820 in expenditures. During fiscal year 2012, the general fund's balance increased \$5,564,803 from a balance of \$3,182,199 to a balance of \$8,747,002.
- The District debt service fund had \$14,107,907 in revenues and \$14,991,972 in expenditures. The District debt service fund's balance decreased \$884,065 from \$16,446,402 to \$15,562,337.
- The classroom facilities fund had \$19,539,476 in revenues and other financing sources and \$26,196,838 in expenditures. The classroom facilities fund decreased \$6,657,362 from \$12,642,981 to a balance of \$5,985,619.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2012?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net assets and statement of activities can be found on pages F 15 - F 16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, District debt service fund and classroom facilities fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F 17 – F 21 of this report.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities on page F 22. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F 23 – F 57 of this report.

The District as a Whole

The statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets at June 30, 2012 and June 30, 2011. Net assets at June 30, 2011 have been restated to reclassify the effect on net assets of accreted interest on the District's capital appreciation bonds from unrestricted net assets to net assets restricted for debt service.

	Net Assets	
	Governmental Activities	Restated Governmental Activities
	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Current and other assets	\$ 105,717,055	\$ 123,948,523
Capital assets, net	<u>183,197,909</u>	<u>163,390,041</u>
Total assets	<u>288,914,964</u>	<u>287,338,564</u>
<u>Liabilities</u>		
Current liabilities	60,150,377	53,273,022
Long-term liabilities	<u>156,173,023</u>	<u>164,156,242</u>
Total liabilities	<u>216,323,400</u>	<u>217,429,264</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	51,203,737	26,012,261
Restricted	15,100,633	42,658,687
Unrestricted	<u>6,287,194</u>	<u>1,238,352</u>
Total net assets	<u>\$ 72,591,564</u>	<u>\$ 69,909,300</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$72,591,564. At fiscal year-end, restricted net assets were \$15,100,633. The significant changes in assets and net assets are due to the completion of the Ohio School Facilities Commission (OSFC) project. This caused an increase in capital assets and invested in capital assets, net of related debt while at the same time decreasing restricted net assets as the money has been spent and is no longer restricted in use.

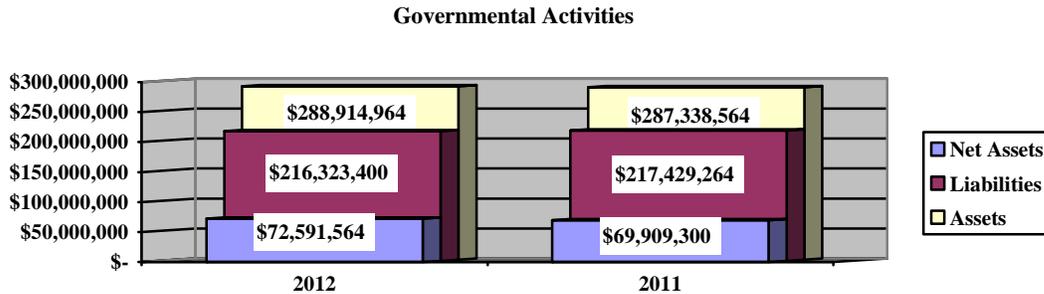
**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

At fiscal year-end, capital assets represented 63.41% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Investments in capital assets, net of related debt to acquire the assets at June 30, 2012 were \$51,203,737. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$15,100,633, represents resources that are subject to external restriction on how they may be used. Of this amount, \$8,887,908 is restricted for capital projects and \$3,863,483 is restricted for classroom facilities maintenance. Net assets restricted for capital projects decreased \$25,722,483 as the District has finished its OSFC project. The remaining balance of unrestricted net assets is balance of \$6,287,194.

The graph below illustrates the District's assets, liabilities and net assets at June 30, 2012 and June 30, 2011.



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

Change in Net Assets

	Governmental Activities 2012	Governmental Activities 2011
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 5,144,274	\$ 4,794,506
Operating grants and contributions	7,346,928	13,699,733
General revenues:		
Property taxes	42,191,660	42,311,934
School district income taxes	14,182,466	13,646,693
Grants and entitlements not restricted	45,157,451	44,587,183
Payment in lieu of taxes	152,625	231,511
Investment earnings	91,970	206,830
Other	142,219	104,079
Total revenues	<u>114,409,593</u>	<u>119,582,469</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Change in Net Assets

	<u>Governmental Activities 2012</u>	<u>Governmental Activities 2011</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 47,965,763	\$ 53,303,768
Special	8,396,846	9,164,454
Vocational	438,906	1,039,530
Other	3,417,335	2,973,424
Support services:		
Pupil	4,903,756	5,389,487
Instructional staff	5,487,355	7,518,291
Board of education	528,244	716,717
Administration	8,099,300	8,301,524
Fiscal	1,854,338	1,867,031
Business	540,477	509,414
Operations and maintenance	10,440,229	9,890,158
Pupil transportation	5,556,206	5,621,125
Central	157,325	175,403
Operation of non-instructional services:		
Food service operations	4,480,977	4,773,849
Other non-instructional services	48,703	54,984
Extracurricular activities	2,219,007	2,777,341
Interest and fiscal charges	<u>7,192,562</u>	<u>8,865,592</u>
Total expenses	<u>111,727,329</u>	<u>122,942,092</u>
Change in net assets	2,682,264	(3,359,623)
Net assets at beginning of year	<u>69,909,300</u>	<u>73,268,923</u>
Net assets at end of year	<u>\$ 72,591,564</u>	<u>\$ 69,909,300</u>

Governmental Activities

Net assets of the District's governmental activities increased \$2,682,264. Total governmental expenses of \$111,727,329 were offset by program revenues of \$12,491,202 and general revenues of \$101,918,391. Program revenues supported 11.18% of the total governmental expenses. The decrease in total governmental expenditures can be attributed to the staff reductions from the prior year of approximately 97 employees.

In the area of program revenues, the significant decrease was in operating grants and contributions which decreased \$6,352,805. This decrease is attributable primarily to a decrease in federal money received through grant funds such as IDEA Part B and Education Stabilization. The American Recovery and Reinvestment Act (ARRA) funds were received in fiscal year 2011 and were not available again in fiscal year 2012.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

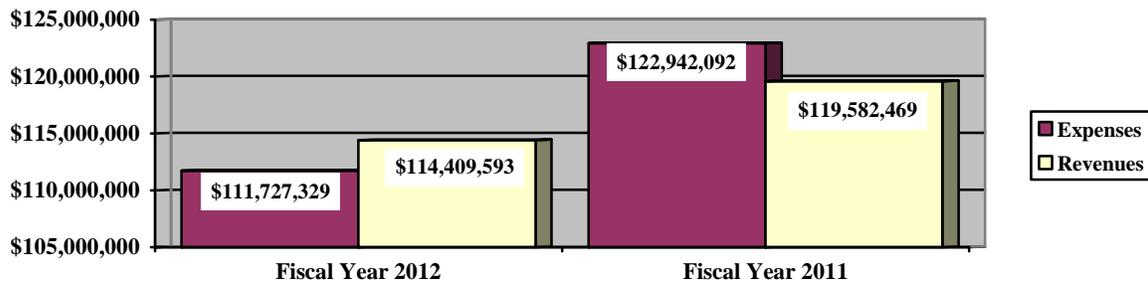
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted grants and entitlements from the State of Ohio. These revenue sources represent 88.74% of total governmental revenue. Real estate property is reappraised every six years.

Voters approved the school district income tax operating levy in May 1990. This is a continuing levy from which revenue has increased over the years due to the growth in the District.

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

Governmental Activities - Revenues and Expenses



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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

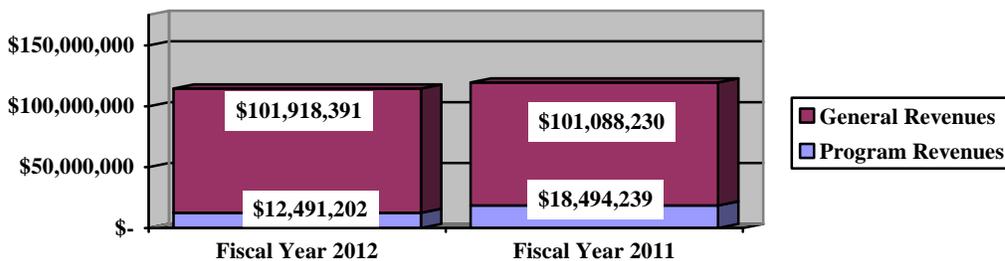
Governmental Activities

	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
Program expenses				
Instruction:				
Regular	\$ 47,965,763	\$ 46,529,752	\$ 53,303,768	\$ 47,138,317
Special	8,396,846	4,676,003	9,164,454	4,812,363
Vocational	438,906	180,414	1,039,530	878,071
Other	3,417,335	3,417,335	2,973,424	2,862,713
Support services:				
Pupil	4,903,756	4,747,083	5,389,487	4,483,132
Instructional staff	5,487,355	4,957,707	7,518,291	6,746,306
Board of education	528,244	522,251	716,717	716,717
Administration	8,099,300	7,956,002	8,301,524	8,104,764
Fiscal	1,854,338	1,843,268	1,867,031	1,867,031
Business	540,477	540,477	509,414	509,414
Operations and maintenance	10,440,229	10,202,022	9,890,158	9,673,750
Pupil transportation	5,556,206	5,311,729	5,621,125	5,390,064
Central	157,325	143,603	175,403	174,356
Operations of non-instructional services:				
Food service operations	4,480,977	611,273	4,773,849	611,598
Other non-instructional services	48,703	36,607	54,984	46,894
Extracurricular activities	2,219,007	368,039	2,777,341	1,566,771
Interest and fiscal charges	<u>7,192,562</u>	<u>7,192,562</u>	<u>8,865,592</u>	<u>8,865,592</u>
Total expenses	\$ <u>111,727,329</u>	\$ <u>99,236,127</u>	\$ <u>122,942,092</u>	\$ <u>104,447,853</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 91.01% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 88.82%. The District's taxpayers and restricted and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

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

Governmental Activities - General and Program Revenues



**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$40,302,873, which is less than last year's total of \$43,844,385. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2012 and June 30, 2011.

	<u>Fund Balance</u> <u>June 30, 2012</u>	<u>Fund Balance</u> <u>June 30, 2011</u>	<u>Increase/</u> <u>(Decrease)</u>
General	\$ 8,747,002	\$ 3,182,199	\$ 5,564,803
District debt service	15,562,337	16,446,402	(884,065)
Classroom facilities	5,985,619	12,642,981	(6,657,362)
Other governmental	<u>10,007,915</u>	<u>11,572,803</u>	<u>(1,564,888)</u>
Total	<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>	<u>\$ (3,541,512)</u>

General Fund

	<u>2012</u> <u>Amount</u>	<u>2011</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 44,076,131	\$ 41,411,526	\$ 2,664,605	6.43 %
Tuition	511,088	393,460	117,628	29.90 %
Earnings on investments	108,985	170,053	(61,068)	(35.91) %
Intergovernmental	46,050,518	45,530,762	519,756	1.14 %
Other revenues	<u>1,826,901</u>	<u>1,447,754</u>	<u>379,147</u>	26.19 %
Total	<u>\$ 92,573,623</u>	<u>\$ 88,953,555</u>	<u>\$ 3,620,068</u>	4.07 %
<u>Expenditures</u>				
Instruction	\$ 50,662,737	\$ 54,631,110	(3,968,373)	(7.26) %
Support services	34,557,895	36,774,290	(2,216,395)	(6.03) %
Operation of non-instructional services	36,358	47,077	(10,719)	(22.77) %
Extracurricular activities	1,526,803	2,055,529	(528,726)	(25.72) %
Facilities acquisition and construction	71,120	73,616	(2,496)	(3.39) %
Debt service	<u>153,907</u>	<u>153,885</u>	<u>22</u>	0.01 %
Total	<u>\$ 87,008,820</u>	<u>\$ 93,735,507</u>	<u>\$ (6,726,687)</u>	(7.18) %

Overall revenues of the general fund increased \$3,620,068 or 4.07%. The most significant increase was in the area tax revenues. The increase of \$2,664,605 in tax revenues can be attributed to the increase in property taxes. This increase is attributable to the increase in revenue as a result of the District passing an operating levy in August 2011. The operating levy will generate an additional \$6 million per year with collections beginning January 2012. Earnings on investments decreased \$61,068 due to lower interest rates earned on investments compared to fiscal year 2011.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Expenditures of the general fund decreased \$6,726,687 or 7.18%. This decrease in expenditures is primarily due to the reduction of staff from the prior fiscal year. The staff reduction from the prior year was approximately 97 employees.

District Debt Service Fund

The District's District debt service fund balance decreased \$884,065. This decrease in fund balance is due to the scheduled principal and interest payments on bonds exceeding revenues. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 12,387,507	\$ 12,952,055	\$ (564,548)	(4.36) %
Other local revenues	32,369	39,531	(7,162)	(18.12) %
Intergovernmental	<u>1,688,031</u>	<u>1,697,784</u>	<u>(9,753)</u>	(0.57) %
Total	<u>\$ 14,107,907</u>	<u>\$ 14,689,370</u>	<u>\$ (581,463)</u>	(3.96) %
<u>Expenditures</u>				
Support services	\$ 230,272	\$ 237,913	\$ (7,641)	(3.21) %
Debt service	<u>14,761,700</u>	<u>14,146,745</u>	<u>614,955</u>	4.35 %
Total	<u>\$ 14,991,972</u>	<u>\$ 14,384,658</u>	<u>\$ 607,314</u>	4.22 %

Classroom Facilities Fund

The classroom facilities fund had \$19,539,476 in revenues and other financing sources and \$26,196,838 in expenditures. The District was approved in fiscal year 2010 for an OSFC project to improve and renovate certain buildings in the District. The project was in full swing as of fiscal year 2011 and during fiscal year 2012, the District began to finalize and complete the project which explains the increased costs in expenditures. The buildings were completed during fiscal year 2012.

	<u>2012 Amount</u>	<u>2011 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Earnings on investments	\$ 2,686	\$ 11,434	\$ (8,748)	(76.51) %
Intergovernmental - state	<u>18,436,790</u>	<u>22,177,757</u>	<u>(3,740,967)</u>	(16.87) %
Total	<u>\$ 18,439,476</u>	<u>\$ 22,189,191</u>	<u>\$ (3,749,715)</u>	(16.90) %
<u>Expenditures</u>				
Facilities acquisition and construction	<u>\$ 26,196,838</u>	<u>\$ 18,454,383</u>	<u>\$ 7,742,455</u>	41.95 %
Total	<u>\$ 26,196,838</u>	<u>\$ 18,454,383</u>	<u>\$ 7,742,455</u>	41.95 %

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

General Fund Budgeting Highlights

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

During the course of fiscal year 2012, the District amended the general fund's budget. For the general fund, original revenues and other financing sources of \$84,176,374 were increased in the final budgeted revenues and other financing sources and amounted to \$92,383,758. Actual revenues and other financing sources for fiscal year 2012 were \$92,389,512. This represents a \$5,754 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated.

General fund original and final appropriations totaled \$90,211,464. The actual budget basis expenditures for fiscal year 2012 totaled \$88,214,163, which was \$1,997,301 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2012, the District had \$183,197,909 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2012 balances compared to June 30, 2011 balances:

Capital Assets at June 30 (Net of Depreciation)		
<u>Governmental Activities</u>		
	<u>2012</u>	<u>2011</u>
Land	\$ 9,300,237	\$ 9,300,237
Construction in progress	-	19,821,028
Land improvements	10,756,622	11,612,655
Building and improvements	161,060,012	120,185,213
Furniture and equipment	1,446,157	1,695,973
Vehicles	<u>634,881</u>	<u>774,935</u>
Total	<u>\$ 183,197,909</u>	<u>\$ 163,390,041</u>

The total additions to capital assets for fiscal year 2012 were \$26,855,794. The primary source for additions was the construction of two elementary schools and one middle school. The overall increase in capital assets, net of depreciation, of \$19,807,868 is due to the recording of additions of \$26,855,794 and depreciation in the amount of \$7,047,926.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Debt Administration

At June 30, 2012, the District had \$148,589,852 in general obligation bonds outstanding. Of this total, \$9,608,547 is due within one year and \$138,981,305 is due in greater than one year. The District also had \$1,016,281 outstanding for a lease purchase agreement issued during a prior fiscal year. Of this amount, \$85,976 is due within one year and \$930,305 is due in greater than one year.

In previous years, the District passed various tax levies, providing for facility improvements and additions to the District's building and debt service on behalf of the public library. The general obligation bonds are scheduled to mature in fiscal year 2035. Payment of principal and interest on the general obligation bonds is being made from the debt service fund.

Outstanding Debt, at Year End

	<u>Governmental Activities 2012</u>	<u>Governmental Activities 2011</u>
General obligation bonds	\$ 148,589,852	\$ 156,354,662
Lease purchase agreement	<u>1,016,281</u>	<u>1,096,872</u>
Total	<u>\$ 149,606,133</u>	<u>\$ 157,451,534</u>

See Note 10 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

The District has continued to maintain the highest standards of service to students, parents, and community. The District is always presented with challenges and opportunities. National events economically affect the District and the surrounding area; the District has been impacted by lower growth in State foundation revenue, and the phasing out of personal property tax. At the same time, the District must meet increasing demands with State and federal mandates such as *No Child Left Behind*.

The Board of Education and administration closely monitor the District's revenues and expenditures in accordance with its financial forecast. Overall, the District continues to perform at the highest level determined by the State of Ohio, which is measured by a defined set of proficiency criteria, including Ohio Achievement Test results, Ohio Graduation Test results, attendance rates and graduation rate.

The most recent State report card (for the 2011-12 school year) shows the District's students meeting 26 out of 26 criteria. In addition, the District earned a Performance Index Score of 103.5, and met the federal Adequate Yearly Progress (AYP) goals established by No Child Left Behind with eight subgroups of students. In doing so, the district earned the state's highest rating of "Excellent with Distinction." The District was able to reach this goal while maintaining total expenditures per student at an amount well below the State average for comparable districts.

Enrollment and total employment fell slightly during 2012 from prior years. The District depends heavily on the State; approximately 51% of the (cash-basis) revenue of the general fund is received from the State. However, the State of Ohio has made cuts to local school districts and governments as part of its efforts to balance the State budget. The result is an increasing dependence on local sources of revenues. This comes at a time when the local economy is facing its share of challenges also, particularly from the slump in the housing market, and a lower rate of growth in personal income.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

The District continues to experience rising health insurance costs and has taken steps to address these increases. Technology has continued to advance and the District has made great strides in terms of enhancing instruction by updating existing equipment; however, with the current budget constraints, the District continues to face challenges in terms of its technology replacement cycle. The District is also addressing transportation needs of students. The District is constantly making improvements to bus routes and schedules in order to reduce fuel costs and avoid increasing driver pay hours.

The District passed a 5 mill replacement levy on November 6, 2007, for a continuing period of time. The tax collections, which began January 2009, are used for current operating expenses.

On March 4, 2009, District voters approved a 7.9 mill renewal levy, for a continuing period of time. The levy commenced in tax year 2009 with collections beginning January 2010. The levy proceeds are used for current operating expenses.

In May 2009, District residents approved the extension of a 0.5 mill classroom facilities maintenance levy. This levy generates approximately \$400,000 per year, which is restricted for the maintenance of the District's facilities. The renewal of this levy enabled the District to qualify for over \$50 million in state funds from the Ohio School Facilities Commission. These funds are being used to renovate the district's five oldest school buildings.

On November 2, 2010, voters narrowly defeated a replacement operating levy of 8 mills, which would have resulted in a 6.84 mill increase. The levy would have generated approximately \$7.6 million per year. The levy was needed by the District due to state and local revenue losses and increasing costs. Due to the levy failure, the District implemented substantial budget reductions for fiscal year 2012.

In June 2011, the Board reached a two-year agreement with the Pickerington Education Association which enabled the District to realize substantial savings in salaries and benefits.

On August 2, 2011, District voters approved a new levy of 5.5 mills, for a continuing period of time. The levy commenced in tax year 2011 with collections beginning January 2012. This levy generates approximately \$5.95 million per year. The levy proceeds are used for current operating expenses. The District's leadership believes that the recent budget reductions and the savings from the negotiated agreement with teachers, in combination with the passage of the August 2011 levy, has provided much-improved financial stability for the District for Fiscal Year 2012 and future years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, 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 Dan Griscom, Treasurer of Pickerington Local School District at 90 East Street, Pickerington, Ohio 43147.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 47,461,588
Cash in segregated accounts	940,493
Receivables:	
Property taxes	48,490,430
Income taxes	6,047,900
Payment in lieu of taxes	152,625
Accrued interest	16,579
Intergovernmental	1,631,395
Prepayments.	111,539
Materials and supplies inventory.	54,900
Unamortized bond issuance costs	809,606
Capital assets:	
Land	9,300,237
Depreciable capital assets, net.	173,897,672
Capital assets, net	183,197,909
Total assets.	288,914,964
Liabilities:	
Accounts payable.	1,550,918
Contracts payable.	1,699,129
Retainage payable	940,493
Accrued wages and benefits	7,987,487
Pension obligation payable	1,792,163
Intergovernmental payable	534,954
Unearned revenue.	45,240,074
Accrued interest payable	405,159
Long-term liabilities:	
Due within one year	10,591,263
Due in more than one year.	145,581,760
Total liabilities	216,323,400
Net Assets:	
Invested in capital assets, net of related debt	51,203,737
Restricted for:	
Capital projects	8,887,908
Classroom facilities maintenance	3,863,483
Debt service.	1,039,877
State funded programs.	90,948
Federally funded programs	27,831
Student activities	469,749
Other purposes	720,837
Unrestricted.	6,287,194
Total net assets	\$ 72,591,564

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 47,965,763	\$ 400,762	\$ 1,035,249	\$ (46,529,752)
Special	8,396,846	110,326	3,610,517	(4,676,003)
Vocational	438,906	-	258,492	(180,414)
Other	3,417,335	-	-	(3,417,335)
Support services:				
Pupil	4,903,756	-	156,673	(4,747,083)
Instructional staff	5,487,355	-	529,648	(4,957,707)
Board of education	528,244	-	5,993	(522,251)
Administration	8,099,300	-	143,298	(7,956,002)
Fiscal	1,854,338	-	11,070	(1,843,268)
Business	540,477	-	-	(540,477)
Operations and maintenance	10,440,229	238,207	-	(10,202,022)
Pupil transportation	5,556,206	-	244,477	(5,311,729)
Central	157,325	-	13,722	(143,603)
Operation of non-instructional services:				
Food service operations	4,480,977	2,602,529	1,267,175	(611,273)
Other non-instructional services	48,703	-	12,096	(36,607)
Extracurricular activities	2,219,007	1,792,450	58,518	(368,039)
Interest and fiscal charges	7,192,562	-	-	(7,192,562)
Total governmental activities	<u>\$ 111,727,329</u>	<u>\$ 5,144,274</u>	<u>\$ 7,346,928</u>	<u>(99,236,127)</u>

General Revenues:

Property taxes levied for:	
General purposes	29,651,216
Facility maintenance	350,108
Debt service	12,190,336
School district income tax	14,182,466
Grants and entitlements not restricted	
to specific programs	45,157,451
Payment in lieu of taxes	152,625
Investment earnings	91,970
Miscellaneous	142,219
Total general revenues	<u>101,918,391</u>
Change in net assets	2,682,264
Net assets at beginning	
of year	<u>69,909,300</u>
Net assets at end of year	<u>\$ 72,591,564</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	District Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ 13,970,848	\$ 15,323,413	\$ 7,245,682	\$ 10,898,961	\$ 47,438,904
Cash in segregated accounts	-	-	-	940,493	940,493
Receivables:					
Property taxes	34,817,647	13,188,502	-	484,281	48,490,430
Income taxes	6,047,900	-	-	-	6,047,900
Payment in lieu of taxes	74,389	32,369	-	45,867	152,625
Accrued interest	16,579	-	-	-	16,579
Intergovernmental	45,734	-	1,008,598	577,063	1,631,395
Prepayments	108,010	-	-	3,529	111,539
Materials and supplies inventory	-	-	-	54,900	54,900
Restricted assets:					
Equity in pooled cash and cash equivalents	22,684	-	-	-	22,684
Total assets	<u>\$ 55,103,791</u>	<u>\$ 28,544,284</u>	<u>\$ 8,254,280</u>	<u>\$ 13,005,094</u>	<u>\$ 104,907,449</u>
Liabilities:					
Accounts payable	\$ 1,243,187	\$ -	\$ -	\$ 307,731	\$ 1,550,918
Contracts payable	-	-	1,414,266	284,863	1,699,129
Retainage payable	-	-	-	940,493	940,493
Accrued wages and benefits	7,290,051	-	-	697,436	7,987,487
Compensated absences payable	368,569	-	-	40,887	409,456
Intergovernmental payable	532,613	-	-	2,341	534,954
Unearned revenue	32,450,543	12,293,445	-	496,086	45,240,074
Deferred revenue	2,864,415	688,502	854,395	42,590	4,449,902
Pension obligation payable	1,607,411	-	-	184,752	1,792,163
Total liabilities	<u>46,356,789</u>	<u>12,981,947</u>	<u>2,268,661</u>	<u>2,997,179</u>	<u>64,604,576</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	54,900	54,900
Prepayments	108,010	-	-	3,529	111,539
Restricted:					
Debt service	-	15,562,337	-	321,451	15,883,788
Capital improvements	-	-	5,985,619	4,588,109	10,573,728
Classroom facilities maintenance	-	-	-	3,843,434	3,843,434
Food service operations	-	-	-	676,739	676,739
Targeted academic assistance	-	-	-	11,777	11,777
Extracurricular	-	-	-	469,749	469,749
School bus purchases	22,684	-	-	-	22,684
Other purposes	-	-	-	114,795	114,795
Committed:					
Termination benefits	300,000	-	-	-	300,000
Assigned:					
Student instruction	170,070	-	-	-	170,070
Student and staff support	1,164,705	-	-	-	1,164,705
Extracurricular activities	9,678	-	-	-	9,678
Facilities acquisition and construction	157,992	-	-	-	157,992
Other purposes	548,055	-	-	-	548,055
Unassigned (deficit)	6,265,808	-	-	(76,568)	6,189,240
Total fund balances	<u>8,747,002</u>	<u>15,562,337</u>	<u>5,985,619</u>	<u>10,007,915</u>	<u>40,302,873</u>
Total liabilities and fund balances	<u>\$ 55,103,791</u>	<u>\$ 28,544,284</u>	<u>\$ 8,254,280</u>	<u>\$ 13,005,094</u>	<u>\$ 104,907,449</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Total governmental fund balances		\$	40,302,873
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			183,197,909
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	2,531,430	
Income taxes receivable		987,459	
Intergovernmental receivable		917,438	
Accrued interest receivable		13,575	
Total		4,449,902	4,449,902
Unamortized deferred charges are not recognized in the funds.			2,259,131
Unamortized premiums on bond issuances are not recognized in the funds.			(3,671,752)
Unamortized bond issuance costs are not recognized in the funds.			809,606
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(405,159)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(148,589,852)	
Lease purchase obligation		(1,016,281)	
Compensated absences		(4,744,813)	
Total		(154,350,946)	(154,350,946)
Net assets of governmental activities		\$	72,591,564

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>District Debt Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 29,936,157	\$ 12,387,507	\$ -	\$ 459,216	\$ 42,782,880
Income taxes	14,139,974	-	-	-	14,139,974
Payment in lieu of taxes	74,389	32,369	-	45,867	152,625
Tuition	511,088	-	-	-	511,088
Earnings on investments	108,985	-	2,686	9,338	121,009
Charges for services	-	-	-	2,602,529	2,602,529
Extracurricular	850,553	-	-	468,970	1,319,523
Classroom materials and fees	472,927	-	-	-	472,927
Rental income	206,512	-	-	31,695	238,207
Contributions and donations	-	-	-	74,891	74,891
Contract services	-	-	-	394,464	394,464
Other local revenues	222,520	-	-	54,745	277,265
Intergovernmental - state	45,954,365	1,688,031	18,436,790	322,114	66,401,300
Intergovernmental - federal	96,153	-	-	6,394,876	6,491,029
Total revenues	<u>92,573,623</u>	<u>14,107,907</u>	<u>18,439,476</u>	<u>10,858,705</u>	<u>135,979,711</u>
Expenditures:					
Current:					
Instruction:					
Regular	39,772,620	-	-	3,408,894	43,181,514
Special	7,143,148	-	-	1,011,988	8,155,136
Vocational	336,314	-	-	82,150	418,464
Other	3,410,655	-	-	-	3,410,655
Support services:					
Pupil	4,617,989	-	-	169,919	4,787,908
Instructional staff	4,569,537	-	-	532,527	5,102,064
Board of education	517,810	-	-	5,074	522,884
Administration	7,811,741	-	-	142,390	7,954,131
Fiscal	1,606,064	230,272	-	17,956	1,854,292
Business	535,471	-	-	203	535,674
Operations and maintenance	9,377,361	-	-	613,852	9,991,213
Pupil transportation	5,368,336	-	-	17,643	5,385,979
Central	153,586	-	-	11,817	165,403
Operation of non-instructional services:					
Food service operations	-	-	-	3,839,705	3,839,705
Other non-instructional services	36,358	-	-	12,345	48,703
Extracurricular activities	1,526,803	-	-	526,581	2,053,384
Facilities acquisition and construction	71,120	-	26,196,838	771,909	27,039,867
Debt service:					
Principal retirement	80,591	9,550,000	-	140,000	9,770,591
Interest and fiscal charges	73,316	5,211,700	-	18,640	5,303,656
Total expenditures	<u>87,008,820</u>	<u>14,991,972</u>	<u>26,196,838</u>	<u>11,323,593</u>	<u>139,521,223</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,564,803</u>	<u>(884,065)</u>	<u>(7,757,362)</u>	<u>(464,888)</u>	<u>(3,541,512)</u>
Other financing sources (uses):					
Transfers in	-	-	1,100,000	-	1,100,000
Transfers (out)	-	-	-	(1,100,000)	(1,100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,100,000</u>	<u>(1,100,000)</u>	<u>-</u>
Net change in fund balances	5,564,803	(884,065)	(6,657,362)	(1,564,888)	(3,541,512)
Fund balances at beginning of year	<u>3,182,199</u>	<u>16,446,402</u>	<u>12,642,981</u>	<u>11,572,803</u>	<u>43,844,385</u>
Fund balances at end of year	<u>\$ 8,747,002</u>	<u>\$ 15,562,337</u>	<u>\$ 5,985,619</u>	<u>\$ 10,007,915</u>	<u>\$ 40,302,873</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds \$ (3,541,512)

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

Government funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$	26,855,794	
Current year depreciation		(7,047,926)	
Total			19,807,868

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

Property taxes		(591,220)	
Income taxes		42,492	
Intergovernmental		(20,993,810)	
Earnings on investments		(27,580)	
Total			(21,570,118)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement net assets.

Bonds		9,690,000	
Lease purchase obligation		80,591	
Total			9,770,591

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities.

Decrease in accrued interest payable		9,267	
Accreted interest on "capital appreciation" bonds		(1,925,190)	
Amortization of bond issuance costs		(50,466)	
Amortization on bond premiums		229,903	
Amortization of deferred charges on refundings		(152,420)	
Total			(1,888,906)

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

104,341

Change in net assets of governmental activities \$ 2,682,264

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 28,881,455	\$ 31,523,913	\$ 31,523,916	\$ 3
Income taxes.	13,084,726	14,097,320	14,097,323	3
Tuition.	351,428	477,470	477,473	3
Earnings on investments	330,046	107,951	110,160	2,209
Rental income	7,298	6,630	6,627	(3)
Other local revenues	59,057	90,410	95,787	5,377
Intergovernmental - state	41,303,722	45,954,354	45,954,365	11
Intergovernmental - federal	157,398	98,000	96,153	(1,847)
Total revenues	<u>84,175,130</u>	<u>92,356,048</u>	<u>92,361,804</u>	<u>5,756</u>
Expenditures:				
Current:				
Instruction:				
Regular	40,369,649	40,450,171	40,164,339	285,832
Special.	7,278,061	7,274,297	7,150,922	123,375
Vocational.	680,990	680,686	496,961	183,725
Other.	3,672,105	3,670,468	3,579,303	91,165
Support services:				
Pupil.	4,750,403	4,749,794	4,674,512	75,282
Instructional staff	4,869,176	4,931,232	4,793,572	137,660
Board of education	716,088	715,769	650,499	65,270
Administration.	8,231,358	8,096,145	7,863,338	232,807
Fiscal	1,712,150	1,709,706	1,667,227	42,479
Business	727,409	728,594	547,834	180,760
Operations and maintenance.	10,514,215	10,509,528	10,261,853	247,675
Pupil transportation	5,282,407	5,280,052	5,190,535	89,517
Central.	277,818	277,694	178,515	99,179
Extracurricular activities.	886,681	894,482	770,177	124,305
Facilities acquisition and construction	242,954	242,846	224,576	18,270
Total expenditures	<u>90,211,464</u>	<u>90,211,464</u>	<u>88,214,163</u>	<u>1,997,301</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(6,036,334)</u>	<u>2,144,584</u>	<u>4,147,641</u>	<u>2,003,057</u>
Other financing sources:				
Refund of prior year's expenditures	1,237	27,560	27,555	(5)
Sale of capital assets	7	150	153	3
Total other financing sources	<u>1,244</u>	<u>27,710</u>	<u>27,708</u>	<u>(2)</u>
Net change in fund balance	(6,035,090)	2,172,294	4,175,349	2,003,055
Fund balance at beginning of year	4,790,683	4,790,683	4,790,683	-
Prior year encumbrances appropriated	1,565,705	1,565,705	1,565,705	-
Fund balance at end of year	<u>\$ 321,298</u>	<u>\$ 8,528,682</u>	<u>\$ 10,531,737</u>	<u>\$ 2,003,055</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>Agency</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 194,834
Total assets.	<u>\$ 194,834</u>
Liabilities:	
Accounts payable.	\$ 3,892
Deposits held and due to others.	3,646
Due to students.	<u>187,296</u>
Total liabilities	<u>\$ 194,834</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Pickerington Local School District (the "District") was organized in the late 1800's and is an independent political subdivision of the State of Ohio. The District is not reported as a Component Unit in any other governmental unit. The District is governed by a five-member Board of Education (the "Board") elected by the citizens of the District.

The District employs 324 non-certified, 613 certified and 59 administrative employees to provide services to approximately 10,285 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities provided it does not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Education Council (MEC)

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

Eastland-Fairfield Career and Technical Schools (Career Center)

The Career Center is a jointly governed organization. The District's Board of Education appoints one member of the seven-member Board of Education of the Career Center. However, the financial statements of the Career Center are not included within the District's reporting entity, as the District cannot impose its will and there is no financial benefit, financial burden relationship or related-party transactions between the District and the Career Center.

PUBLIC ENTITY RISK POOLS

Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

The district participates in a group retrospective rating plan for workers' compensation as established under Section 4123-17-73 of the Ohio Administrative Code. The Ohio SchoolComp Group Retrospective Rating Plan was established through the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO).

The Executive Directors of the OSBA and OASBO, or their designees, serve as coordinators of the group retrospective rating program. Each year, the participating school districts pay an enrollment fee to the program to cover the costs of the administering the program.

Ohio School Plan

The School District belongs to the Ohio School Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio's public educational entities ("Members"). Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, automobile, violence and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible. The complete audited financial statements for the Ohio School Plan are available at the Plan's website, www.ohioschoolplan.org.

B. Fund Accounting

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. There are three categories of funds: governmental, proprietary and fiduciary.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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 purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

District debt service fund - The District debt service fund is used to account all debt activity except the debt associated with the library which is accounted for in another nonmajor debt service fund.

Classroom facilities fund - The classroom facilities capital projects fund is used to account for financial resources and expenditures related to the school facilities construction project.

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds accounts for student activities and amounts held for individuals and organizations.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 17). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

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

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported 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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Although the legal level of control has been established at the fund level of expenditures, the District has elected to present the budgetary statement for the general fund at the fund and function level of expenditures in the basic financial statements.

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

Estimated Resources - By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final certificates of estimated resources issued during the fiscal year.

Appropriations - Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the fund level must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund covering the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported in the budgetary statement represent the original appropriation amounts passed by the Board that covered the entire fiscal year and the final appropriation amounts passed by the Board during the year, including all amendments.

F. Cash and Investments

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

During fiscal year 2012, investments were limited to nonnegotiable certificates of deposits, Federal Home Loan bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) Securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2012. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2012.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2012 amounted to \$108,985, which includes \$38,282 assigned from other District funds.

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 that are not part of the cash management pool with an initial maturity of more than three months are reported as investments.

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

G. Inventory

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food. Donated commodities are valued at entitlement value.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2012, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	25 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net assets. The District had no interfund loans receivable or payable at June 30, 2012.

J. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

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

Bond premiums are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 10.

K. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least 15 years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. The expenditures and liabilities related to these obligations are recognized in the governmental funds when they mature, for example, as a result of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

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

M. Fund Balance

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

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

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

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

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

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

N. 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 balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes includes the balance reserved for school bus purchases and the following nonmajor governmental funds: food services and school trusts.

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

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

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

P. 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.

Q. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. At June 30, 2012, the District had \$22,684 in restricted assets, which is described in Note 18.

R. Interfund Activity

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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

S. Extraordinary and Special Items

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

B. Deficit Fund Balances

Fund balances at June 30, 2012 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Title VI-B	\$ 76,568

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

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.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. Cash in Segregated Accounts

At fiscal year end \$940,493 was maintained in a depository account that the District established for funds related to retainage set-aside for construction projects. This depository account is included in total amount of "Deposits with Financial Institutions" below.

B. Deposits with Financial Institutions

At June 30, 2012, the carrying amount of all District deposits, including \$9,000,000 in non-negotiable certificates of deposit, was \$29,544,986. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2012, \$20,490,432 of the District's bank balance of \$29,740,432 was exposed to custodial risk as discussed below, while \$9,250,000 was covered by the FDIC.

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

C. Investments

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
FHLB	\$ 7,002,540	\$ -	\$ 2,998,770	\$ 4,003,770
FFCB	1,993,983	999,983	994,000	-
STAR Ohio	10,055,406	10,055,406	-	-
Total	<u>\$ 19,051,929</u>	<u>\$ 11,055,389</u>	<u>\$ 3,992,770</u>	<u>\$ 4,003,770</u>

The weighted average maturity of investments is 0.48 years.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

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.

Credit Risk: The District's investments in federal securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy dealing with credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FHLB and FFCB securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2012:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 7,002,540	36.76
FFCB	1,993,983	10.47
STAR Ohio	<u>10,055,406</u>	<u>52.77</u>
 Total	 <u>\$ 19,051,929</u>	 <u>100.00</u>

E. Reconciliation of Cash and Investments to the Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of June 30, 2012:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 29,544,986
Investments	<u>19,051,929</u>
Total	<u>\$ 48,596,915</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 48,402,081
Agency funds	<u>194,834</u>
Total	<u>\$ 48,596,915</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2012, consisted of the following, as reported on the fund financial statements:

	<u>Amount</u>
<u>Transfers from nonmajor governmental fund to:</u>	
Classroom facilities fund	<u>\$ 1,100,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer of \$1,100,000 was to provide the necessary funding of the local share of the OSFC project agreement.

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

All transfers made in fiscal year 2012 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed values as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2012 represent the collection of calendar year 2011 taxes. Public utility real and personal property taxes received in calendar year 2012 became a lien on December 31, 2010, were levied after April 1, 2011, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Fairfield and Franklin Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2012 operations. The amount available as an advance at June 30, 2012 was \$623,846 in the general fund, \$238,924 in the District debt service fund, \$1,813 in the library debt service fund (a nonmajor governmental fund) and \$6,968 in the facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2011 was \$2,211,605 in the general fund, \$1,060,815 in the District debt service fund, \$9,408 in the library debt service fund (a nonmajor governmental fund) and \$29,743 in the facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2012 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

	2011 Second Half Collections		2012 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,101,144,820	98.67	\$1,098,339,860	98.63
Public utility personal	14,451,250	1.29	14,927,250	1.37
Tangible personal property	<u>415,910</u>	<u>0.04</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,116,011,980</u>	<u>100.00</u>	<u>\$1,113,267,110</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$66.70		\$72.20	
Bond	13.50		13.20	
Facilities maintenance	0.50		0.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2012 consisted of taxes, payment in lieu of taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of receivables reported on the statement of net assets follows:

Governmental activities:

Property taxes	\$ 48,490,430
Income taxes	6,047,900
Payment in lieu of taxes	152,625
Accrued interest	16,579
Intergovernmental	<u>1,631,395</u>
Total	<u>\$ 56,338,929</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 7 - RECEIVABLES - (Continued)

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within one year except for the OSFC grant of \$1,008,598 (a component of intergovernmental receivable) which will be collected over the term of the construction project.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2012</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 9,300,237	\$ -	\$ -	\$ 9,300,237
Construction in progress	<u>19,821,028</u>	<u>26,735,716</u>	<u>(46,556,744)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>29,121,265</u>	<u>26,735,716</u>	<u>(46,556,744)</u>	<u>9,300,237</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	18,201,473	-	-	18,201,473
Building and improvements	178,922,444	46,556,744	-	225,479,188
Furniture and equipment	5,052,302	73,430	-	5,125,732
Vehicles	<u>1,727,852</u>	<u>46,648</u>	<u>-</u>	<u>1,774,500</u>
Total capital assets, being depreciated	<u>203,904,071</u>	<u>46,676,822</u>	<u>-</u>	<u>250,580,893</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(6,588,818)	(856,033)	-	(7,444,851)
Building and improvements	(58,737,231)	(5,681,945)	-	(64,419,176)
Furniture and equipment	(3,356,329)	(323,246)	-	(3,679,575)
Vehicles	<u>(952,917)</u>	<u>(186,702)</u>	<u>-</u>	<u>(1,139,619)</u>
Total accumulated depreciation	<u>(69,635,295)</u>	<u>(7,047,926)</u>	<u>-</u>	<u>(76,683,221)</u>
Governmental activities capital assets, net	<u>\$ 163,390,041</u>	<u>\$ 66,364,612</u>	<u>\$ (46,556,744)</u>	<u>\$ 183,197,909</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 4,729,932
Special	252,361
Vocational	31,820
Other	6,680
 <u>Support services:</u>	
Pupil	162,565
Instructional staff	354,428
Board of education	5,360
Administration	115,917
Fiscal	1,060
Operations and maintenance	416,010
Pupil transportation	170,227
Extracurricular activities	167,454
Food service operation	<u>634,112</u>
Total depreciation expense	<u>\$ 7,047,926</u>

NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE

During fiscal year 2007, the District entered into a lease-purchase agreement with Fifth Third Bank. This lease meets the criteria of a lease-purchase as defined by FASB Statement No. 13, "Accounting for Leases", which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to construct a bus/maintenance facility. At June 30, 2012, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$167,010 has been booked as of June 30, 2012 leaving a book value of \$1,503,112. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$80,591 and \$73,316, respectively.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2012.

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2013	\$ 153,885
2014	153,885
2015	153,886
2016	153,885
2017	153,885
2018 - 2021	<u>615,519</u>
Total minimum lease payments	1,384,945
Less: amount representing interest	<u>(368,664)</u>
Present value of minimum lease payments	<u>\$ 1,016,281</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

The District has seven general obligation bond issues outstanding. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and construction of a public library. These general obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for on the statement of net assets. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's District debt service fund. Public library refund bonds are being repaid from the library debt service fund (a nonmajor governmental fund).

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>
General Obligation Bonds:				
Series 1993, capital appreciation bonds	\$ 308,224	\$ -	\$ (125,401)	\$ 182,823
Series 1993, capital appreciation bonds accreted interest	4,368,877	618,715	(1,944,599)	3,042,993
Series 1999, capital appreciation bonds	599,708	-	(307,580)	292,128
Series 1999, capital appreciation bonds accreted interest	1,015,426	91,415	(562,420)	544,421
Series 2001, capital appreciation bonds	12,547,600	-	(2,314,944)	10,232,656
Series 2001, capital appreciation bonds accreted interest	7,752,839	947,576	(1,525,056)	7,175,359
Public Library Refunding Bonds:				
Series 2002, current interest bonds	545,000	-	(140,000)	405,000
Series 2002, capital appreciation bonds	40,000	-	-	40,000
Series 2002, capital appreciation bonds accreted interest	82,733	17,125	-	99,858

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Balance			Balance
	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
General Obligation Bonds:				
Series 2004, current interest refunding bonds	\$ 6,375,000	\$ -	\$ (690,000)	\$ 5,685,000
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	246,124	58,802	-	304,926
Series 2006, current interest refunding bonds	58,720,000	-	(785,000)	57,935,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	3,873,230	191,557	-	4,064,787
Series 2007, current interest bonds	<u>54,625,000</u>	<u>-</u>	<u>(1,295,000)</u>	<u>53,330,000</u>
Total general obligation bonds	<u>\$ 156,354,662</u>	<u>\$ 1,925,190</u>	<u>\$ (9,690,000)</u>	<u>\$ 148,589,852</u>

Series 1993 General Obligation Bonds - On March 15, 1993, the District issued general obligation bonds to provide funds for the construction of a new high school. The current interest bonds were refunded by the Series 2003 refunding general obligation bonds.

At June 30, 2012, the remaining issue is comprised of capital appreciation bonds, par value \$182,823. The remaining capital appreciation bonds mature on December 1, 2012 and 2013. In fiscal year 2012, capital appreciation bonds of \$125,401 matured with total accreted interest of \$1,944,599 (total accreted value at maturity was \$2,070,000). The capital appreciation bonds have stated interest rates ranging from 15.80% to 15.90% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the remaining capital appreciation bonds is \$3,705,000. A total of \$3,042,993 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2012.

Series 1999 General Obligation Bonds - On January 1, 1999, the District issued general obligation bonds to provide funds for acquiring and constructing two new middle schools, renovating the old middle school, furnishing and equipping the same, and providing related facilities, appurtenances, and site improvements, site acquisition and portable classrooms. A portion of the current interest bonds were refunded by the Series 2006 refunding general obligation bonds. The remaining current interest bonds were retired in fiscal year 2011.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

At June 30, 2012, the remaining issue is comprised of capital appreciation bonds, par value \$292,128. In fiscal year 2012, capital appreciation bonds of \$307,580 matured with total accreted interest of \$562,420 (total accreted value at maturity was \$870,000). The remaining capital appreciation bonds mature on December 1, 2012 (stated interest rate 8.16%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the remaining capital appreciation bonds is \$870,000. A total of \$544,421 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2012.

Series 2001 General Obligation Bonds - On November 1, 2001, the District issued \$77,499,893 in general obligation bonds to provide for constructing, furnishing and equipping a new high school building, new junior high school building, with related facilities, appurtenances, and site improvements thereto, and acquiring land for school purposes. A portion of the current interest bonds was refunded by the Series 2006 refunding general obligation bonds. The remaining current interest bonds were retired in fiscal year 2010.

At June 30, 2012, the remaining issue is comprised of capital appreciation bonds, par value \$10,232,656. In fiscal year 2012, capital appreciation bonds of \$2,314,944 matured with accreted interest of \$1,525,056 (total accreted value at maturity was \$3,840,000). The capital appreciation bonds mature on December 1, 2012 through 2016. The capital appreciation bonds have effective interest rates ranging from 5.14% to 5.15% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the remaining capital appreciation bonds is \$19,700,000. A total of \$7,175,359 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2012.

Series 2002 Refunding General Obligation Bonds - On November 1, 2002, the District issued general obligation bonds (Series 2002 library improvement refunding bonds) to currently refund the callable portion of the Series 1992 library improvement general obligation bonds (principal \$1,880,000; interest rate 3.7%). The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$1,840,000, and capital appreciation bonds, par value \$40,000. The average interest rate on the current interest bonds is 3.08%. The capital appreciation bonds mature each December 1, 2015 and 2016 (stated interest 13.95%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$235,000. Total accreted interest of \$99,858 has been included on the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$37,600. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated on the current interest bonds is December 1, 2014. The outstanding current interest bonds of \$405,000, capital appreciation bonds of \$40,000, deferred charges of \$15,426 and unamortized premiums of \$36,094 are not included in the calculation of invested in capital assets, net of related debt because the proceeds of these bonds were not used to purchase capital assets held by the District.

Series 2004 Refunding General Obligation Bonds - On May 1, 2004, the District issued general obligation bonds (Series 2004 Refunding Bonds) to advance refund the callable portion of the Series 1994 current interest general obligation bonds (principal \$7,500,000; interest rate 5.21%). The issuance proceeds of \$7,799,399 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$7,355,000 and capital appreciation bonds, par value \$144,994. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2016 (stated interest rate 14.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$845,000. Total accreted interest of \$304,926 has been included on the statement of net assets at June 30, 2012.

The reacquisition price exceeded the net carrying amount of the old debt by \$299,399. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2019.

Series 2006 Refunding General Obligation Bonds - On February 26, 2006, the District issued general obligation bonds (Series 2006 Refunding Bonds) to advance refund the callable portion of the Series 1999 current interest general obligation bonds (principal \$15,425,000; interest rate of 3.10% to 5.0%) and the Series 2001 current interest general obligation bonds (principal \$52,355,000; interest rate 3.0% to 5.25%). The issuance proceeds of \$67,779,907 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of both current interest bonds, par value \$62,670,000, and capital appreciation bonds, par value \$5,109,907. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2017, December 1, 2018 and December 1, 2019 (stated interest rate 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$16,780,000. Total accreted interest of \$4,064,787 has been included on the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,934,793. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

Series 2007 General Obligation Bonds - On February 8, 2007, the District issued general obligation bonds in the amount of \$59,900,000. The issue is comprised of serial and term bonds with interest rates ranging from 4.00% to 5.00%. The bonds will be retired from the District debt service fund with revenue generated from a 3.8 mil tax levy. The bonds will be used for the purpose of constructing, furnishing and equipping two new elementary schools and a new middle school as well as renovating and repairing existing facilities and buildings and upgrading computer technology.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034. At June 30, 2012, there was \$2,540,215 in unspent proceeds of the Series 2007 general obligation bonds.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 3,010,000	\$ 5,113,389	\$ 8,123,389	\$ 2,607,724	\$ 4,282,276	\$ 6,890,000
2014	3,995,000	4,973,831	8,968,831	2,162,231	3,202,769	5,365,000
2015	4,140,000	4,802,134	8,942,134	2,120,542	1,969,458	4,090,000
2016	4,180,000	4,622,431	8,802,431	2,038,306	2,171,695	4,210,001
2017	3,515,000	5,155,360	8,670,360	1,963,801	2,836,199	4,800,000
2018 - 2022	22,745,000	16,658,327	39,403,327	5,109,904	11,670,093	16,779,997
2023 - 2027	40,140,000	12,219,019	52,359,019	-	-	-
2028 - 2032	25,180,000	4,343,712	29,523,712	-	-	-
2033 - 2035	10,450,000	678,512	11,128,512	-	-	-
Total	<u>\$ 117,355,000</u>	<u>\$ 58,566,715</u>	<u>\$ 175,921,715</u>	<u>\$ 16,002,508</u>	<u>\$ 26,132,490</u>	<u>\$ 42,134,998</u>

The difference in the amount due in one year in the schedule below in Note 10.C. and the amortization schedule above is \$3,990,823 which is the amount of matured capital appreciation bond accreted interest that will be paid in fiscal year 2013.

C. During the fiscal year 2012, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2011	Additions	Reductions	Balance Outstanding June 30, 2012	Amounts Due in One Year
Governmental activities:					
<u>General Obligation Bonds:</u>					
General obligation bonds	\$ 156,354,662	\$ 1,925,190	\$ (9,690,000)	\$ 148,589,852	\$ 9,608,547
Total general obligation bonds payable	<u>156,354,662</u>	<u>1,925,190</u>	<u>(9,690,000)</u>	<u>148,589,852</u>	<u>9,608,547</u>
<u>Other Long-Term Obligations:</u>					
Lease Purchase	1,096,872	-	(80,591)	1,016,281	85,976
Compensated absences	<u>5,214,604</u>	<u>976,125</u>	<u>(1,036,460)</u>	<u>5,154,269</u>	<u>896,740</u>
Total other long-term obligations	<u>6,311,476</u>	<u>976,125</u>	<u>(1,117,051)</u>	<u>6,170,550</u>	<u>982,716</u>
Total governmental activities	<u>\$ 162,666,138</u>	<u>\$ 2,901,315</u>	<u>\$ (10,807,051)</u>	154,760,402	<u>\$ 10,591,263</u>
Less: Unamortized deferred charges on refundings				(2,259,131)	
Add: Unamortized premiums on refundings				<u>3,671,752</u>	
Total on statement of net assets				<u>\$ 156,173,023</u>	

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Lease Purchase Agreement - The District entered a lease purchase agreement during fiscal year 2007 for the construction of a bus/maintenance facility. See Note 9 for details.

Compensated Absences - Compensated absences will be paid from the fund which the employees' salaries are paid which, for the District, is primarily the general fund and food service fund (a nonmajor governmental fund).

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations.

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that District a "special needs" District. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The District was determined to be a "special needs" District on March 28, 1996 and confirmed on October 5, 2000 and again in October, 2006. In addition, the unvoted net debt of a school district cannot exceed 0.1 percent of the total assessed value of property. On June 30, 2012, the District had no unvoted debt.

E. State Loans

In 1979 and in 1999, respectively, the District received a \$2,500,000 and \$6,780,000 interest-free loan from the State of Ohio for the construction of classroom facilities. As of September 2000, S.B. 272 forgives the debt on State loan repayment. Under S.B. 272, districts like Pickerington, which are in the upper half of all Ohio districts in terms of assessed valuation per pupil, no longer are required to pay the State one-half of the half-mill being collected in connection with state-financed classroom facilities projects. S.B. 272 instead requires that all of the half-mill be retained by the school district and applied to repair and maintenance of the district's State projects. Since the District is not required to repay these State loans, no obligation is reported on the statement of net assets.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified eleven and twelve month employees hired prior to April 1, 2012 earn twelve to twenty days of vacation per year, with a maximum accrual of 24 to 40 days, depending upon length of service. Classified eleven and twelve month employees hired after to April 1, 2012 earn ten to twenty days of vacation per year, with a maximum accrual of 20 to 40 days, depending upon length of service. Administrative twelve month employees earn fifteen to twenty-five days of vacation per year, with a maximum accrual of 45 to 60 days, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 65 days for both certificated and classified employees with a minimum of five years with the District. An employee receiving such payment must meet the retirement provisions set by STRS Ohio and SERS.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participated in the Ohio School Plan Program beginning July 1, 2008. The following is the District's insurance coverage through the group purchasing program described in Note 2.A.:

Total policy coverage - includes the following:	
Property limit (\$1,000 deductible)	\$268,301,378
Boiler and Machinery (\$1,000 deductible)	100,000,000
Automobile liability (\$1,000 deductible)	4,000,000
Medical payments	5,000
Public Employee Dishonesty	100,000
General school district liability:	
Per occurrence	4,000,000
Total per year	6,000,000

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

B. Group Health and Dental Insurance

Health, life and dental group insurance is offered to employees as a fringe benefit. Employer and employee contributions to premium are determined for most employees by negotiated agreements with employee labor unions. Currently, single coverage and family coverage for all employees except administrators are 85% Board-paid and 15% employee-paid. Single and family coverage for administrators are 80% Board-paid and 20% employee-paid.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

NOTE 12 - RISK MANAGEMENT - (Continued)

The dental insurance benefit is a fully funded plan in which the Board picks up no more than \$55.00 of the monthly premium, with employees paying the additional cost on a monthly basis through payroll deductions.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

C. Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

For calendar year 2012, the district participated in the Ohio SchoolComp Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO) (Note 2.A.). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio Bureau of Workers' Compensation (BWC). Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2012 program, the evaluation periods will 12/31/2013, 12/31/2014 and 12/31/2015. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium.

Participation in the Group Retrospective Rating Plan is limited to school districts that can meet the programs selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the program.

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2012, 12.65 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2012, 2011 and 2010 were \$1,128,521, \$1,120,029 and \$1,250,323, respectively; 57.17 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 13 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

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

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

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2012, 2011 and 2010 were \$6,089,137, \$6,667,463 and \$6,721,083, respectively; 84.10 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010. Contributions to the DC and Combined Plans for fiscal year 2012 were \$252,341 made by the District and \$180,244 made by the plan members.

C. Social Security System

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

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

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2012, 2011 and 2010 were \$228,231, \$321,840 and \$219,843, respectively; 57.17 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2012, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010 were \$66,645, \$72,076 and \$74,354, respectively; 57.17 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2012, 2011 and 2010 were \$468,395, \$512,882 and \$517,006, respectively; 84.10 percent has been contributed for fiscal year 2012 and 100 percent for fiscal years 2011 and 2010.

NOTE 15 - 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 assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 4,175,349
Net adjustment for revenue accruals	(1,546,130)
Net adjustment for expenditure accruals	671,460
Net adjustment for other sources/uses	(27,708)
Funds budgeted elsewhere	108,472
Adjustment for encumbrances	<u>2,183,360</u>
GAAP basis	<u>\$ 5,564,803</u>

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

NOTE 16 - CONTINGENCIES

A. Grants

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

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2012, if applicable, cannot be determined at this time.

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

NOTE 17 - SCHOOL DISTRICT INCOME TAX

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2012, the District income tax generated \$14,182,466 in revenue on the accrual basis of accounting. The District apportions all the proceeds to the general fund.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 18 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2011	\$ -
Current year set-aside requirement	1,822,828
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(639,624)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(1,183,204)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2013	<u>\$ -</u>
Set-aside balance June 30, 2012	<u>\$ -</u>

In addition to the above statutory set-aside, the District also received monies restricted for school bus purchases.

A schedule of the restricted assets at June 30, 2012 follows:

Amount restricted for school bus purchases	<u>\$ 22,684</u>
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**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

NOTE 19 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,289,066
Classroom facilities	5,603,090
Nonmajor governmental funds	<u>1,967,107</u>
Total	<u>\$ 8,859,263</u>

NOTE 20 – SUBSEQUENT EVENT

Effective August 1, 2012, Rob Walker became Superintendent of the District.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

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**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

MAJOR FUNDS

General

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration

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

District Debt Service

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

Classroom Facilities

The classroom facilities fund is used to account for financial resources and expenditures related to the school facilities construction project fund.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
District Debt Service				
Total Revenues and Other Sources	\$ 14,625,000	\$ 14,929,798	\$ 14,929,798	\$ -
Total Expenditures and Other Uses	<u>15,041,700</u>	<u>15,041,700</u>	<u>14,991,972</u>	<u>49,728</u>
Net Change in Fund Balances	(416,700)	(111,902)	(62,174)	49,728
Fund Balance at Beginning of Year	<u>15,385,587</u>	<u>15,385,587</u>	<u>15,385,587</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,968,887</u>	<u>\$ 15,273,685</u>	<u>\$ 15,323,413</u>	<u>\$ 49,728</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
Classroom Facilities				
Total Revenues and Other Sources	\$ 19,539,063	\$ 19,385,260	\$ 19,385,273	\$ 13
Total Expenditures and Other Uses	<u>34,178,883</u>	<u>33,797,194</u>	<u>33,796,697</u>	<u>497</u>
Net Change in Fund Balances	(14,639,820)	(14,411,934)	(14,411,424)	510
Fund Balance at Beginning of Year	1,857,793	1,857,793	1,857,793	-
Prior Year Encumbrances Appropriated	<u>12,782,033</u>	<u>12,782,033</u>	<u>12,782,033</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6</u>	<u>\$ 227,892</u>	<u>\$ 228,402</u>	<u>\$ 510</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 5,683,493	\$ 319,638	\$ 4,895,830	\$ 10,898,961
Cash in segregated accounts.	-	-	940,493	940,493
Receivables:				
Property taxes	384,049	100,232	-	484,281
Payment in lieu of taxes	917	265	44,685	45,867
Intergovernmental	577,063	-	-	577,063
Prepayments.	3,529	-	-	3,529
Materials and supplies inventory	54,900	-	-	54,900
	<u>\$ 6,703,951</u>	<u>\$ 420,135</u>	<u>\$ 5,881,008</u>	<u>\$ 13,005,094</u>
Total assets.				
Liabilities:				
Accounts payable.	\$ 284,873	\$ -	\$ 22,858	\$ 307,731
Contracts payable.	-	-	284,863	284,863
Retainage payable	-	-	940,493	940,493
Accrued wages and benefits	697,436	-	-	697,436
Compensated absences payable	40,887	-	-	40,887
Intergovernmental payable	2,341	-	-	2,341
Unearned revenue	357,949	93,452	44,685	496,086
Deferred revenue.	37,358	5,232	-	42,590
Pension obligation payable.	184,752	-	-	184,752
	<u>1,605,596</u>	<u>98,684</u>	<u>1,292,899</u>	<u>2,997,179</u>
Total liabilities.				
Fund balances:				
Nonspendable:				
Materials and supplies inventory	54,900	-	-	54,900
Prepayments.	3,529	-	-	3,529
Restricted:				
Debt service	-	321,451	-	321,451
Capital improvements	-	-	4,588,109	4,588,109
Classroom facilities maintenance	3,843,434	-	-	3,843,434
Food service operations	676,739	-	-	676,739
Targeted academic assistance	11,777	-	-	11,777
Extracurricular	469,749	-	-	469,749
Other purposes.	114,795	-	-	114,795
Unassigned (deficit)	(76,568)	-	-	(76,568)
	<u>5,098,355</u>	<u>321,451</u>	<u>4,588,109</u>	<u>10,007,915</u>
Total fund balances				
Total liabilities and fund balances.	<u>\$ 6,703,951</u>	<u>\$ 420,135</u>	<u>\$ 5,881,008</u>	<u>\$ 13,005,094</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 357,709	\$ 101,507	\$ -	\$ 459,216
Payment in lieu of taxes.	917	265	44,685	45,867
Earnings on investments	1,459	-	7,879	9,338
Charges for services	2,602,529	-	-	2,602,529
Extracurricular	468,970	-	-	468,970
Rental income.	-	-	31,695	31,695
Contributions and donations	74,891	-	-	74,891
Contract services	394,464	-	-	394,464
Other local revenues	-	-	54,745	54,745
Intergovernmental - state.	308,156	13,958	-	322,114
Intergovernmental - federal	6,394,876	-	-	6,394,876
Total revenues	10,603,971	115,730	139,004	10,858,705
Expenditures:				
Current:				
Instruction:				
Regular.	3,408,894	-	-	3,408,894
Special	1,011,988	-	-	1,011,988
Vocational	82,150	-	-	82,150
Support services:				
Pupil	169,919	-	-	169,919
Instructional staff.	532,527	-	-	532,527
Board of education	5,074	-	-	5,074
Administration	142,390	-	-	142,390
Fiscal.	16,006	1,950	-	17,956
Business	203	-	-	203
Operations and maintenance	613,852	-	-	613,852
Pupil transportation	17,643	-	-	17,643
Central	11,817	-	-	11,817
Operation of non-instructional services:				
Food service operations.	3,839,705	-	-	3,839,705
Other non-instructional services	12,345	-	-	12,345
Extracurricular activities.	526,581	-	-	526,581
Facilities acquisition and construction.	21,953	-	749,956	771,909
Debt service:				
Principal retirement.	-	140,000	-	140,000
Interest and fiscal charges	-	18,640	-	18,640
Total expenditures	10,413,047	160,590	749,956	11,323,593
Excess (deficiency) of revenues over (under) expenditures.	190,924	(44,860)	(610,952)	(464,888)
Other financing uses:				
Transfers (out)	-	-	(1,100,000)	(1,100,000)
Total other financing sources uses.	-	-	(1,100,000)	(1,100,000)
Net change in fund balances	190,924	(44,860)	(1,710,952)	(1,564,888)
Fund balances at beginning of year.	4,907,431	366,311	6,299,061	11,572,803
Fund balances at end of year.	\$ 5,098,355	\$ 321,451	\$ 4,588,109	\$ 10,007,915

**PICKERINGTON LOCAL SCHOOLS
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds

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

Food Services

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

School Trusts

This fund is used to account for trust agreements in which principal and income are used to support District programs.

Facilities Maintenance

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

Student Activity

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

Educational Management Information System (EMIS)

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

Data Communication

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

Summer School Subsidy

A fund to account for the student intervention services.

Alternative Schools

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

Education Jobs

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

Race to the Top

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

Title VI - B

A fund which accounts 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 preschool elementary, and secondary levels.

Education Stabilization

To account for Federal stimulus funds received through State foundation for the purpose of stabilizing the District's

Stimulus Title II - D

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

**PICKERINGTON LOCAL SCHOOLS
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds (Continued)

Title III

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

Title I

To account for funds which are to: 1) establish or improve programs designed to meet the special needs of migratory agricultural workers or migratory fishers' and 2) enable State education agencies to coordinate their state migrant education programs and local projects with similar programs and projects in other states, including the transfer of school records or other information about migratory children.

Drug Free School Grant

A fund which accounts 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 VI - R

To account for a federal grant aimed to reducing class sizes throughout the District.

Miscellaneous Federal Grants

To account for federal grants not classified elsewhere.

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

Uniform School Supplies

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Public School Support

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

Other Local Grants

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

Self Insurance

A fund provided to account for former involvement related to dental benefits associated through OME-RESA.

Termination Benefits

A fund provided to account for accumulated cash for the payment of termination benefits.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 981,310	\$ 17,345	\$ 3,943,781	\$ 498,241
Receivables:				
Property taxes	-	-	384,049	-
Payment in lieu of taxes	-	-	917	-
Intergovernmental	-	-	-	-
Prepayments.	3,529	-	-	-
Materials and supplies inventory	54,900	-	-	-
Total assets.	<u>\$ 1,039,739</u>	<u>\$ 17,345</u>	<u>\$ 4,328,747</u>	<u>\$ 498,241</u>
Liabilities:				
Accounts payable.	\$ 3,598	\$ 470	\$ 107,315	\$ 28,492
Accrued wages and benefits	148,189	-	-	-
Compensated absences payable	40,887	-	-	-
Intergovernmental payable	1,624	-	-	-
Unearned revenue	-	-	357,949	-
Deferred revenue.	-	-	20,049	-
Pension obligation payable.	110,273	-	-	-
Total liabilities.	<u>304,571</u>	<u>470</u>	<u>485,313</u>	<u>28,492</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	54,900	-	-	-
Prepayments.	3,529	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	3,843,434	-
Food service operations	676,739	-	-	-
Targeted academic assistance	-	-	-	-
Extracurricular	-	-	-	469,749
Other purposes.	-	16,875	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>735,168</u>	<u>16,875</u>	<u>3,843,434</u>	<u>469,749</u>
Total liabilities and fund balances	<u>\$ 1,039,739</u>	<u>\$ 17,345</u>	<u>\$ 4,328,747</u>	<u>\$ 498,241</u>

<u>EMIS</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Education Jobs</u>	<u>Race to the Top</u>	<u>Title VI - B</u>
\$ 29,097	\$ 1,552	\$ 126,127	\$ 8	\$ 9,100	\$ 32,796
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	366,479	6,802	200,319
-	-	-	-	-	-
<u>\$ 29,097</u>	<u>\$ 1,552</u>	<u>\$ 126,127</u>	<u>\$ 366,487</u>	<u>\$ 15,902</u>	<u>\$ 233,115</u>
\$ -	\$ -	\$ 32,900	\$ -	\$ 5,134	\$ 77,756
-	-	28,887	321,548	-	197,581
-	-	-	-	-	-
-	-	409	-	-	308
-	-	-	-	-	-
-	-	-	-	6,802	8,227
-	-	3,632	44,938	98	25,811
-	-	65,828	366,486	12,034	309,683
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
29,097	1,552	60,299	1	3,868	-
-	-	-	-	-	(76,568)
<u>29,097</u>	<u>1,552</u>	<u>60,299</u>	<u>1</u>	<u>3,868</u>	<u>(76,568)</u>
<u>\$ 29,097</u>	<u>\$ 1,552</u>	<u>\$ 126,127</u>	<u>\$ 366,487</u>	<u>\$ 15,902</u>	<u>\$ 233,115</u>

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>Stimulus Title II - D</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI - R</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,300	\$ 758	\$ 7,066	\$ 8,821
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental	2,280	1,183	-	-
Prepayments.	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 3,580</u>	<u>\$ 1,941</u>	<u>\$ 7,066</u>	<u>\$ 8,821</u>
Liabilities:				
Accounts payable.	\$ -	\$ 410	\$ 4,110	\$ -
Accrued wages and benefits	-	1,231	-	-
Compensated absences payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Unearned revenue	-	-	-	-
Deferred revenue.	2,280	-	-	-
Pension obligation payable.	-	-	-	-
Total liabilities.	<u>2,280</u>	<u>1,641</u>	<u>4,110</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepayments.	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Targeted academic assistance	-	-	2,956	8,821
Extracurricular	-	-	-	-
Other purposes.	1,300	300	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>1,300</u>	<u>300</u>	<u>2,956</u>	<u>8,821</u>
Total liabilities and fund balances	<u>\$ 3,580</u>	<u>\$ 1,941</u>	<u>\$ 7,066</u>	<u>\$ 8,821</u>

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 26,191	\$ 5,683,493
-	384,049
-	917
-	577,063
-	3,529
-	54,900
<u>\$ 26,191</u>	<u>\$ 6,703,951</u>
\$ 24,688	\$ 284,873
-	697,436
-	40,887
-	2,341
-	357,949
-	37,358
-	184,752
<u>24,688</u>	<u>1,605,596</u>
-	54,900
-	3,529
-	3,843,434
-	676,739
-	11,777
-	469,749
1,503	114,795
-	(76,568)
<u>1,503</u>	<u>5,098,355</u>
<u>\$ 26,191</u>	<u>\$ 6,703,951</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ 357,709	\$ -
Payment in lieu of taxes	-	-	917	-
Earnings on investments	1,459	-	-	-
Charges for services	2,602,529	-	-	-
Extracurricular	-	-	-	468,970
Contributions and donations	-	16,373	-	58,518
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	23,816	-	259,140	-
Intergovernmental - federal	1,241,900	-	-	-
Total revenues	<u>3,869,704</u>	<u>16,373</u>	<u>617,766</u>	<u>527,488</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	12,694	-	-
Special	-	-	-	-
Vocational	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Board of education	-	-	-	-
Administration	-	-	-	1,258
Fiscal	-	-	6,634	-
Business	-	-	-	-
Operations and maintenance	28,849	-	543,862	41,141
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	3,839,705	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	526,581
Facilities acquisition and construction	-	-	21,953	-
Total expenditures	<u>3,868,554</u>	<u>12,694</u>	<u>572,449</u>	<u>568,980</u>
Net change in fund balances	1,150	3,679	45,317	(41,492)
Fund balances (deficits) at beginning of year	<u>734,018</u>	<u>13,196</u>	<u>3,798,117</u>	<u>511,241</u>
Fund balances (deficits) at end of year	<u>\$ 735,168</u>	<u>\$ 16,875</u>	<u>\$ 3,843,434</u>	<u>\$ 469,749</u>

<u>EMIS</u>	<u>Data Communication</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Education Jobs</u>	<u>Race to the Top</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	394,464	-	-
-	25,200	-	-	-	-
-	-	-	-	2,431,756	78,588
-	25,200	-	394,464	2,431,756	78,588
-	-	-	1,545	2,431,755	-
-	-	-	100,939	-	-
-	-	-	82,150	-	-
-	25,200	-	-	-	-
-	-	-	74,825	-	75,246
-	-	-	5,074	-	-
-	-	-	48,440	-	-
-	-	-	9,372	-	-
-	-	-	203	-	-
-	-	-	-	-	-
200	-	-	11,617	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
200	25,200	-	334,165	2,431,755	75,246
(200)	-	-	60,299	1	3,342
29,297	-	1,552	-	-	526
\$ 29,097	\$ -	\$ 1,552	\$ 60,299	\$ 1	\$ 3,868

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>Title VI - B</u>	<u>Education Stabilization</u>	<u>Stimulus Title II - D</u>	<u>Title III</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	-	-	-
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	1,745,782	-	3,722	76,211
Total revenues	<u>1,745,782</u>	<u>-</u>	<u>3,722</u>	<u>76,211</u>
Expenditures:				
Current:				
Instruction:				
Regular	148,953	2	2,520	65,229
Special	911,049	-	-	-
Vocational	-	-	-	-
Support services:				
Pupil	141,569	3,150	-	-
Instructional staff	323,220	995	-	7,602
Board of education	-	-	-	-
Administration	92,692	-	-	-
Fiscal	-	-	-	-
Business	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	-	3,248
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>1,617,483</u>	<u>4,147</u>	<u>2,520</u>	<u>76,079</u>
Net change in fund balances	128,299	(4,147)	1,202	132
Fund balances (deficits) at beginning of year	<u>(204,867)</u>	<u>4,147</u>	<u>98</u>	<u>168</u>
Fund balances (deficits) at end of year	<u>\$ (76,568)</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 300</u>

<u>Title I</u>	<u>Drug Free School Grant</u>	<u>Title VI - R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 357,709
-	-	-	-	917
-	-	-	-	1,459
-	-	-	-	2,602,529
-	-	-	-	468,970
-	-	-	-	74,891
-	-	-	-	394,464
-	-	-	-	-
-	-	-	-	308,156
<u>554,290</u>	<u>-</u>	<u>123,192</u>	<u>139,435</u>	<u>6,394,876</u>
<u>554,290</u>	<u>-</u>	<u>123,192</u>	<u>139,435</u>	<u>10,603,971</u>
537,177	2,392	110,014	96,613	3,408,894
-	-	-	-	1,011,988
-	-	-	-	82,150
-	-	-	-	169,919
8,769	-	7,000	34,870	532,527
-	-	-	-	5,074
-	-	-	-	142,390
-	-	-	-	16,006
-	-	-	-	203
-	-	-	-	613,852
-	-	-	17,643	17,643
-	-	-	-	11,817
-	-	-	-	3,839,705
6,114	-	-	2,983	12,345
-	-	-	-	526,581
-	-	-	-	21,953
<u>552,060</u>	<u>2,392</u>	<u>117,014</u>	<u>152,109</u>	<u>10,413,047</u>
2,230	(2,392)	6,178	(12,674)	190,924
726	2,392	2,643	14,177	4,907,431
<u>\$ 2,956</u>	<u>\$ -</u>	<u>\$ 8,821</u>	<u>\$ 1,503</u>	<u>\$ 5,098,355</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final		
Food Services				
Total Revenues and Other Sources	\$ 3,625,000	\$ 3,625,000	\$ 3,641,705	\$ 16,705
Total Expenditures and Other Uses	<u>3,999,047</u>	<u>3,999,047</u>	<u>3,753,197</u>	<u>245,850</u>
Net Change in Fund Balances	(374,047)	(374,047)	(111,492)	262,555
Fund Balance at Beginning of Year	1,027,670	1,027,670	1,027,670	-
Prior Year Encumbrances Appropriated	<u>34,047</u>	<u>34,047</u>	<u>34,047</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 687,670</u>	<u>\$ 687,670</u>	<u>\$ 950,225</u>	<u>\$ 262,555</u>
School Trusts				
Total Revenues and Other Sources	\$ 14,750	\$ 14,750	\$ 16,373	\$ 1,623
Total Expenditures and Other Uses	<u>11,250</u>	<u>13,055</u>	<u>13,053</u>	<u>2</u>
Net Change in Fund Balances	3,500	1,695	3,320	1,625
Fund Balance at Beginning of Year	<u>13,196</u>	<u>13,196</u>	<u>13,196</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,696</u>	<u>\$ 14,891</u>	<u>\$ 16,516</u>	<u>\$ 1,625</u>
Facilities Maintenance				
Total Revenues and Other Sources	\$ 420,900	\$ 640,541	\$ 640,541	\$ -
Total Expenditures and Other Uses	<u>433,979</u>	<u>591,399</u>	<u>591,129</u>	<u>270</u>
Net Change in Fund Balances	(13,079)	49,142	49,412	270
Fund Balance at Beginning of Year	3,696,145	3,696,145	3,696,145	-
Prior Year Encumbrances Appropriated	<u>72,924</u>	<u>72,924</u>	<u>72,924</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,755,990</u>	<u>\$ 3,818,211</u>	<u>\$ 3,818,481</u>	<u>\$ 270</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- (Under)</u>
	<u>Original</u>	<u>Final</u>		
Student Activity				
Total Revenues and Other Sources	\$ 600,000	\$ 527,488	\$ 527,488	\$ -
Total Expenditures and Other Uses	<u>53,118</u>	<u>53,118</u>	<u>594,722</u>	<u>(541,604)</u>
Net Change in Fund Balances	546,882	474,370	(67,234)	(541,604)
Fund Balance at Beginning of Year	463,425	463,425	463,425	-
Prior Year Encumbrances Appropriated	<u>53,118</u>	<u>53,118</u>	<u>53,118</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 463,425</u>	<u>\$ 990,913</u>	<u>\$ 449,309</u>	<u>\$ (541,604)</u>
EMIS				
Total Revenues and Other Sources	\$ 5,000	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>5,000</u>	<u>415</u>	<u>415</u>	<u>-</u>
Net Change in Fund Balances	-	(415)	(415)	-
Fund Balance at Beginning of Year	<u>29,297</u>	<u>29,297</u>	<u>29,297</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 29,297</u>	<u>\$ 28,882</u>	<u>\$ 28,882</u>	<u>\$ -</u>
Data Communication				
Total Revenues and Other Sources	\$ 28,000	\$ 25,200	\$ 25,200	\$ -
Total Expenditures and Other Uses	<u>28,000</u>	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
Summer School Subsidy				
Fund Balance at Beginning of Year	\$ 1,552	\$ 1,552	\$ 1,552	\$ -
Fund Balance at End of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Alternative Schools				
Total Revenues and Other Sources	\$ 346,160	\$ 346,160	\$ 394,464	\$ 48,304
Total Expenditures and Other Uses	<u>436,160</u>	<u>346,160</u>	<u>304,212</u>	<u>41,948</u>
Net Change in Fund Balances	(90,000)	-	90,252	90,252
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (90,000)</u>	<u>\$ -</u>	<u>\$ 90,252</u>	<u>\$ 90,252</u>
Education Jobs				
Total Revenues and Other Sources	\$ 2,143,000	\$ 2,065,277	\$ 2,065,277	\$ -
Total Expenditures and Other Uses	<u>1,973,492</u>	<u>2,065,269</u>	<u>2,065,269</u>	<u>-</u>
Net Change in Fund Balances	169,508	8	8	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 169,508</u>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final		
Race to the Top				
Total Revenues and Other Sources	\$ 50,000	\$ 78,588	\$ 78,588	\$ -
Total Expenditures and Other Uses	50,000	79,114	79,114	-
Net Change in Fund Balances	-	(526)	(526)	-
Fund Balance at Beginning of Year	526	526	526	-
Fund Balance at End of Year	<u>\$ 526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title VI - B				
Total Revenues and Other Sources	\$ 1,750,000	\$ 1,657,831	\$ 1,657,831	\$ -
Total Expenditures and Other Uses	1,689,039	1,717,175	1,693,445	23,730
Net Change in Fund Balances	60,961	(59,344)	(35,614)	23,730
Fund Balance at Beginning of Year	52,510	52,510	52,510	-
Prior Year Encumbrances Appropriated	6,833	6,833	6,833	-
Fund Balance (Deficit) at End of Year	<u>\$ 120,304</u>	<u>\$ (1)</u>	<u>\$ 23,729</u>	<u>\$ 23,730</u>
Education Stabilization				
Total Expenditures and Other Uses	\$ 488,755	\$ 488,755	\$ 488,756	\$ (1)
Net Change in Fund Balances	(488,755)	(488,755)	(488,756)	(1)
Fund Balance at Beginning of Year	455,050	455,050	455,050	-
Prior Year Encumbrances Appropriated	33,706	33,706	33,706	-
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final		
Stimulus Title II - D				
Total Revenues and Other Sources	\$ 1,278	\$ 3,722	\$ 3,722	\$ -
Total Expenditures and Other Uses	<u>1,278</u>	<u>3,820</u>	<u>2,520</u>	<u>1,300</u>
Net Change in Fund Balances	-	(98)	1,202	1,300
Fund Balance at Beginning of Year	<u>98</u>	<u>98</u>	<u>98</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 1,300</u>
Title III				
Total Revenues and Other Sources	\$ 78,191	\$ 75,028	\$ 75,028	\$ -
Total Expenditures and Other Uses	<u>76,906</u>	<u>75,080</u>	<u>74,859</u>	<u>221</u>
Net Change in Fund Balances	1,285	(52)	169	221
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>208</u>	<u>208</u>	<u>208</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,493</u>	<u>\$ 156</u>	<u>\$ 377</u>	<u>\$ 221</u>
Title I				
Total Revenues and Other Sources	\$ 693,225	\$ 558,436	\$ 558,436	\$ -
Total Expenditures and Other Uses	<u>689,798</u>	<u>554,292</u>	<u>553,985</u>	<u>307</u>
Net Change in Fund Balances	3,427	4,144	4,451	307
Fund Balance (Deficit) at Beginning of Year	<u>(3,420)</u>	<u>(3,420)</u>	<u>(3,420)</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7</u>	<u>\$ 724</u>	<u>\$ 1,031</u>	<u>\$ 307</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Drug Free School Grant				
Total Revenues and Other Sources	\$ 1,141	\$ 1,141	\$ (4,688)	\$ (5,829)
Total Expenditures and Other Uses	<u>(4,688)</u>	<u>-</u>	<u>(4,688)</u>	<u>4,688</u>
Net Change in Fund Balances	5,829	1,141	-	(1,141)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,829</u>	<u>\$ 1,141</u>	<u>\$ -</u>	<u>\$ (1,141)</u>
Title VI - R				
Total Revenues and Other Sources	\$ 122,566	\$ 123,192	\$ 123,192	\$ -
Total Expenditures and Other Uses	<u>130,453</u>	<u>131,762</u>	<u>131,762</u>	<u>-</u>
Net Change in Fund Balances	(7,887)	(8,570)	(8,570)	-
Fund Balance at Beginning of Year	371	371	371	-
Prior Year Encumbrances Appropriated	<u>8,200</u>	<u>8,200</u>	<u>8,200</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 684</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ 167,435	\$ 167,435	\$ 139,435	\$ (28,000)
Total Expenditures and Other Uses	<u>197,494</u>	<u>197,494</u>	<u>197,486</u>	<u>8</u>
Net Change in Fund Balances	(30,059)	(30,059)	(58,051)	(27,992)
Fund Balance (Deficit) at Beginning of Year	(15,323)	(15,323)	(15,323)	-
Prior Year Encumbrances Appropriated	<u>45,382</u>	<u>45,382</u>	<u>45,382</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,992)</u>	<u>\$ (27,992)</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Over
	Original	Final		
Uniform School Supplies				
Total Revenues and Other Sources	\$ 413,150	\$ 413,150	\$ 472,927	\$ 59,777
Total Expenditures and Other Uses	<u>534,240</u>	<u>534,240</u>	<u>477,635</u>	<u>56,605</u>
Net Change in Fund Balances	(121,090)	(121,090)	(4,708)	116,382
Fund Balance at Beginning of Year	97,666	97,666	97,666	-
Prior Year Encumbrances Appropriated	<u>24,240</u>	<u>24,240</u>	<u>24,240</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 816</u>	<u>\$ 816</u>	<u>\$ 117,198</u>	<u>\$ 116,382</u>
Public School Support				
Total Revenues and Other Sources	\$ 63,825	\$ 63,825	\$ 99,538	\$ 35,713
Total Expenditures and Other Uses	<u>107,659</u>	<u>114,899</u>	<u>109,396</u>	<u>5,503</u>
Net Change in Fund Balances	(43,834)	(51,074)	(9,858)	41,216
Fund Balance at Beginning of Year	235,992	235,992	235,992	-
Prior Year Encumbrances Appropriated	<u>3,659</u>	<u>3,659</u>	<u>3,659</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 195,817</u>	<u>\$ 188,577</u>	<u>\$ 229,793</u>	<u>\$ 41,216</u>
Other Local Grants				
Total Revenues and Other Sources	\$ 752,980	\$ 1,178,760	\$ 1,185,484	\$ 6,724
Total Expenditures and Other Uses	<u>956,803</u>	<u>1,205,142</u>	<u>1,091,290</u>	<u>113,852</u>
Net Change in Fund Balances	(203,823)	(26,382)	94,194	120,576
Fund Balance at Beginning of Year	441,875	441,875	441,875	-
Prior Year Encumbrances Appropriated	<u>23,303</u>	<u>23,303</u>	<u>23,303</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 261,355</u>	<u>\$ 438,796</u>	<u>\$ 559,372</u>	<u>\$ 120,576</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
Self Insurance				
Total Expenditures and Other Uses	\$ 12,513	\$ 12,513	\$ -	\$ 12,513
Net Change in Fund Balances	(12,513)	(12,513)	-	12,513
Fund Balance at Beginning of Year	12,513	12,513	12,513	\$ -
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,513</u>	<u>\$ 12,513</u>
Termination Benefits				
Total Expenditures and Other Uses	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Net Change in Fund Balances	(300,000)	(300,000)	-	300,000
Fund Balance at Beginning of Year	300,000	300,000	300,000	\$ -
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

**PICKERINGTON LOCAL SCHOOLS
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Debt Service Fund

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

Library Debt Service

A fund used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations related to the public library.

Since there is only one nonmajor debt service fund, only the budgetary schedule is presented for the nonmajor debt service fund.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Library Debt Service				
Total Revenues and Other Sources	\$ 128,000	\$ 128,000	\$ 123,325	\$ (4,675)
Total Expenditures and Other Uses	<u>162,240</u>	<u>162,240</u>	<u>160,590</u>	<u>1,650</u>
Net Change in Fund Balances	(34,240)	(34,240)	(37,265)	(3,025)
Fund Balance at Beginning of Year	<u>356,903</u>	<u>356,903</u>	<u>356,903</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 322,663</u>	<u>\$ 322,663</u>	<u>\$ 319,638</u>	<u>\$ (3,025)</u>

**PICKERINGTON LOCAL SCHOOLS
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Capital Project Funds

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

Permanent Improvement

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

Building

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	Permanent Improvement	Building	Total Nonmajor Capital Project Funds
Assets:			
Equity in pooled cash and cash equivalents.	\$ 681,129	\$ 4,214,701	\$ 4,895,830
Cash in segregated accounts.	-	940,493	940,493
Receivables:			
Payment in lieu of taxes	44,685	-	44,685
Total assets.	<u>\$ 725,814</u>	<u>\$ 5,155,194</u>	<u>\$ 5,881,008</u>
Liabilities:			
Accounts payable.	\$ 22,858	\$ -	\$ 22,858
Contracts payable.	-	284,863	284,863
Retainage payable	-	940,493	940,493
Unearned revenue	44,685	-	44,685
Total liabilities.	<u>67,543</u>	<u>1,225,356</u>	<u>1,292,899</u>
Fund balances:			
Restricted:			
Capital improvements	658,271	3,929,838	4,588,109
Total fund balances.	<u>658,271</u>	<u>3,929,838</u>	<u>4,588,109</u>
Total liabilities and fund balances	<u>\$ 725,814</u>	<u>\$ 5,155,194</u>	<u>\$ 5,881,008</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
From local sources:			
Payment in lieu of taxes	\$ 44,685	\$ -	\$ 44,685
Earnings on investments.	120	7,759	7,879
Rental income.	31,695	-	31,695
Other local revenues	54,745	-	54,745
Total revenues	<u>131,245</u>	<u>7,759</u>	<u>139,004</u>
Expenditures:			
Facilities acquisition and construction	<u>211,078</u>	<u>538,878</u>	<u>749,956</u>
Total expenditures.	<u>211,078</u>	<u>538,878</u>	<u>749,956</u>
Excess of expenditures over revenues	<u>(79,833)</u>	<u>(531,119)</u>	<u>(610,952)</u>
Other financing uses:			
Transfers (out)	<u>-</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Total other financing uses	<u>-</u>	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Net change in fund balances	(79,833)	(1,631,119)	(1,710,952)
Fund balances at beginning of year.	<u>738,104</u>	<u>5,560,957</u>	<u>6,299,061</u>
Fund balances at end of year	<u>\$ 658,271</u>	<u>\$ 3,929,838</u>	<u>\$ 4,588,109</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 84,200	\$ 84,200	\$ 131,245	\$ 47,045
Total Expenditures and Other Uses	<u>557,794</u>	<u>557,794</u>	<u>371,028</u>	<u>186,766</u>
Net Change in Fund Balances	(473,594)	(473,594)	(239,783)	233,811
Fund Balance at Beginning of Year	615,306	615,306	615,306	-
Prior Year Encumbrances Appropriated	<u>162,794</u>	<u>162,794</u>	<u>162,794</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 304,506</u>	<u>\$ 304,506</u>	<u>\$ 538,317</u>	<u>\$ 233,811</u>
Building				
Total Revenues and Other Sources	\$ 10,350	\$ 7,525	\$ 7,759	\$ 234
Total Expenditures and Other Uses	<u>5,513,855</u>	<u>5,513,855</u>	<u>3,158,195</u>	<u>2,355,660</u>
Net Change in Fund Balances	(5,503,505)	(5,506,330)	(3,150,436)	2,355,894
Fund Balance at Beginning of Year	2,681,472	2,681,472	2,681,472	-
Prior Year Encumbrances Appropriated	<u>2,879,485</u>	<u>2,879,485</u>	<u>2,879,485</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 57,452</u>	<u>\$ 54,627</u>	<u>\$ 2,410,521</u>	<u>\$ 2,355,894</u>

**PICKERINGTON LOCAL SCHOOLS
COMBINING STATEMENTS - FIDUCIARY FUNDS**

Fiduciary Funds

The agency fund is used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Agency Funds

District Agency

A fund used to account for those assets held by a school district as an agent for individuals, private organization, other governmental units, and/or funds. Agency funds could include a central payroll account and funds for a teacher or a parent-teacher organization.

Student Activity

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

**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Beginning Balance July 1, 2011	Additions	Deletions	Ending Balance June 30, 2012
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 132,594	\$ 128,948	\$ 3,646
Total assets	<u>\$ -</u>	<u>\$ 132,594</u>	<u>\$ 128,948</u>	<u>\$ 3,646</u>
Liabilities:				
Deposits held and due to others.	\$ -	\$ 132,594	\$ 128,948	\$ 3,646
Total liabilities	<u>\$ -</u>	<u>\$ 132,594</u>	<u>\$ 128,948</u>	<u>\$ 3,646</u>
Student Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 225,263	\$ 266,398	\$ 300,473	\$ 191,188
Total assets	<u>\$ 225,263</u>	<u>\$ 266,398</u>	<u>\$ 300,473</u>	<u>\$ 191,188</u>
Liabilities:				
Accounts payable	\$ 52,855	\$ 3,892	\$ 52,855	\$ 3,892
Intergovernmental payable.	5,070	-	5,070	-
Due to students	167,338	262,506	242,548	187,296
Total liabilities.	<u>\$ 225,263</u>	<u>\$ 266,398</u>	<u>\$ 300,473</u>	<u>\$ 191,188</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 225,263	\$ 398,992	\$ 429,421	\$ 194,834
Total assets	<u>\$ 225,263</u>	<u>\$ 398,992</u>	<u>\$ 429,421</u>	<u>\$ 194,834</u>
Liabilities:				
Accounts payable	\$ 52,855	\$ 3,892	\$ 52,855	\$ 3,892
Intergovernmental payable.	5,070	-	5,070	-
Deposits held and due to others	-	132,594	128,948	3,646
Due to students	167,338	262,506	242,548	187,296
Total liabilities.	<u>\$ 225,263</u>	<u>\$ 398,992</u>	<u>\$ 429,421</u>	<u>\$ 194,834</u>

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STATISTICAL SECTION

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**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S 2-15
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S 16-21
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S 22-25
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S 26-27
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S 28-35

Sources: Sources are noted on the individual schedules.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 51,203,737	\$ 26,012,261	\$ 8,748,029	\$ 8,765,183
Restricted	15,100,633	42,658,687	79,798,417	78,804,109
Unrestricted (deficit)	6,287,194	1,238,352	(16,176,349)	(5,250,879)
Total governmental activities net assets	<u>\$ 72,591,564</u>	<u>\$ 69,909,300</u>	<u>\$ 72,370,097</u>	<u>\$ 82,318,413</u>

(1) Net assets for fiscal year 2011 were reclassified to attribute accreted interest on capital appreciation bonds to net assets restricted for debt service rather than unrestricted net assets to conform to presentation in fiscal year 2012.

Source: School District financial records.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 7,887,455	\$ 7,639,245	\$ 5,680,217	\$ 6,170,204	\$ 9,556,777	\$ 25,058,656
23,739,089	18,391,211	16,510,606	15,221,567	14,428,173	18,535,804
(4,668,772)	(2,730,099)	(3,513,717)	(2,973,644)	(6,315,089)	(29,321,045)
<u>\$ 26,957,772</u>	<u>\$ 23,300,357</u>	<u>\$ 18,677,106</u>	<u>\$ 18,418,127</u>	<u>\$ 17,669,861</u>	<u>\$ 14,273,415</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Expenses	2012	2011	2010	2009
Governmental activities:				
Instruction:				
Regular	\$ 47,965,763	\$ 53,303,768	\$ 55,599,841	\$ 49,069,735
Special	8,396,846	9,164,454	8,960,949	7,847,020
Vocational	438,906	1,039,530	1,114,525	1,115,837
Adult/continuing	-	-	-	-
Other instructional	3,417,335	2,973,424	3,055,912	2,824,261
Support services:				
Pupil	4,903,756	5,389,487	5,150,296	4,669,725
Instructional staff	5,487,355	7,518,291	7,571,863	6,755,547
Board of education	528,244	716,717	575,199	528,045
Administration	8,099,300	8,301,524	8,822,490	7,916,045
Fiscal	1,854,338	1,867,031	1,744,987	1,718,035
Business	540,477	509,414	578,191	624,827
Operations and maintenance	10,440,229	9,890,158	9,740,418	9,375,277
Pupil transportation	5,556,206	5,621,125	5,966,014	5,034,148
Central	157,325	175,403	171,148	176,045
Operation of non-instructional services:				
Food service operations	4,480,977	4,773,849	4,379,685	4,134,640
Other non-instructional services	48,703	54,984	73,232	72,379
Extracurricular activities	2,219,007	2,777,341	3,135,454	2,799,921
Interest and fiscal charges	7,192,562	8,865,592	8,540,803	8,870,980
Total governmental activities expenses	<u>111,727,329</u>	<u>122,942,092</u>	<u>125,181,007</u>	<u>113,532,467</u>

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	47,880,000	\$ 45,562,366	\$ 42,690,019	\$ 40,326,102	\$ 36,117,943	\$ 31,464,300
	7,249,632	6,782,936	5,977,721	5,423,614	4,865,195	4,514,787
	1,098,881	1,074,249	1,034,985	890,084	761,653	932,546
	-	-	-	10,895	-	-
	2,413,847	2,217,708	1,796,253	1,581,660	1,122,608	751,589
	4,422,909	4,196,561	4,036,154	3,942,233	3,456,789	3,050,125
	5,837,143	5,741,358	4,983,317	4,413,385	3,645,626	3,136,588
	522,851	455,248	501,735	404,032	478,447	323,952
	7,476,862	7,273,966	7,037,059	6,322,386	6,006,765	5,500,019
	1,789,425	1,571,452	1,499,551	1,386,034	1,304,606	1,217,117
	44,051	185,988	175,317	192,496	167,919	167,914
	9,267,414	8,238,497	9,428,349	9,238,371	6,589,807	5,422,028
	5,701,343	5,286,583	4,501,482	3,998,024	3,832,851	3,973,490
	162,150	50,333	74,200	87,250	81,744	135,761
	3,635,100	3,224,778	3,420,780	3,068,309	2,835,474	2,156,397
	65,316	124,132	86,613	84,897	9,937	49,058
	2,772,116	2,503,424	2,577,848	2,557,801	2,137,629	1,780,961
	8,899,230	7,157,888	5,477,377	6,422,079	6,504,277	6,546,476
	<u>109,238,270</u>	<u>101,647,467</u>	<u>95,298,760</u>	<u>90,349,652</u>	<u>79,919,270</u>	<u>71,123,108</u>

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Program Revenues	2012	2011	2010	2009
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 400,762	\$ 591,367	\$ 860,381	\$ 901,498
Special	110,326	119,792	106,344	108,657
Vocational	-	-	-	139
Other instructional	-	-	10,697	5,022
Support services:				
Instructional staff	-	-	31,957	15,959
Board of education	-	-	-	-
Administration	-	334	-	885
Operations and maintenance	238,207	215,484	54,363	-
Pupil transportation	-	-	-	91,567
Operation of non-instructional services:				
Food service operations	2,602,529	2,699,934	2,625,572	2,568,292
Other non-instructional services	-	-	63,026	-
Extracurricular activities	1,792,450	1,167,595	1,116,425	1,200,698
Interest and fiscal charges	-	-	-	-
Operating grants and contributions:				
Instruction:				
Regular	1,035,249	5,574,084	2,564,164	542,764
Special	3,610,517	4,232,299	2,120,356	3,943,115
Vocational	258,492	161,459	160,257	164,317
Other instructional	-	110,711	78,617	6,514
Support services:				
Pupil	156,673	906,355	664,504	607,168
Instructional staff	529,648	771,985	980,809	575,271
Board of education	5,993	-	-	-
Administration	143,298	196,426	192,050	167,290
Fiscal	11,070	-	-	-
Operations and maintenance	-	924	4,600	21,308
Pupil transportation	244,477	231,061	232,614	221,562
Central	13,722	1,047	-	1,690
Operation of non-instructional services:				
Food service operations	1,267,175	1,462,317	1,188,141	1,011,157
Other non-instructional services	12,096	8,090	23,636	51,795
Extracurricular activities	58,518	42,975	208,391	163,631
Capital grants and contributions:				
Support services:				
Instructional staff	-	-	-	-
Pupil transportation	-	-	-	82,369
Extracurricular activities	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total governmental program revenues	12,491,202	18,494,239	13,286,904	12,452,668
Net (Expense)/Revenue				
Governmental activities	<u>\$ (99,236,127)</u>	<u>\$ (104,447,853)</u>	<u>\$ (111,894,103)</u>	<u>\$ (101,079,799)</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 801,384	\$ 749,201	\$ 805,693	\$ 784,692	\$ 763,229	\$ 580,891
91,572	3,103	-	-	-	-
187	-	-	-	-	-
6,031	-	-	-	-	-
89,088	29,505	53,191	93,499	80,821	138,370
-	-	770	1,393	1,393	-
282	1,567	2,040	-	266	-
82,536	80,485	94,134	78,501	205,042	13,715
-	-	-	-	-	10,973
2,458,391	2,321,306	2,259,423	2,173,639	1,744,919	1,509,232
75,782	-	45,858	30,390	5,094	39,257
972,586	951,885	757,652	770,200	604,272	331,112
-	140,458	-	-	-	-
591,395	529,021	422,001	515,057	713,667	364,483
3,219,492	3,005,521	486,464	532,541	301,038	239,957
147,101	159,709	-	878	-	-
-	-	-	-	-	23,507
513,983	580,490	460,779	621,677	386,820	245,934
403,977	389,625	363,616	280,000	257,010	101,573
-	-	498	-	1,708	-
116,717	135,547	110,252	78,249	65,310	21,395
32,306	32,728	7,997	-	-	-
1,075	12,722	108,387	39,279	-	-
200,395	223,805	175,849	3,437	-	-
3,134	796	18,670	25,511	33,550	66,873
900,180	758,837	836,266	672,054	579,381	473,446
8,660	113,868	46,135	42,546	300	-
159,950	153,398	264,253	113,753	367,534	61,684
-	-	91,776	69,720	-	-
44,517	64,544	-	-	-	-
-	-	-	-	-	38,810
-	-	-	-	-	4,702
<u>10,920,721</u>	<u>10,438,121</u>	<u>7,411,704</u>	<u>6,927,016</u>	<u>6,111,354</u>	<u>4,265,914</u>
<u>\$ (98,317,549)</u>	<u>\$ (91,209,346)</u>	<u>\$ (87,887,056)</u>	<u>\$ (83,422,636)</u>	<u>\$ (73,807,916)</u>	<u>\$ (66,857,194)</u>

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

General Revenues and Other Changes in Net Assets

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 29,651,216	\$ 28,516,543	\$ 27,409,960	\$ 28,346,890
Facility maintenance	350,108	376,312	359,894	370,320
Debt service	12,190,336	13,419,079	12,690,376	13,086,748
Capital projects	-	-	-	-
School district income tax	14,182,466	13,646,693	12,328,783	12,707,691
Grants and entitlements not restricted to specific programs	45,157,451	44,587,183	48,622,410	47,962,247
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	52,387,820
Payment in lieu of taxes	152,625	231,511	93,764	93,577
Investment earnings	91,970	206,830	311,036	1,438,880
Miscellaneous	142,219	104,079	129,564	46,267
Total governmental activities	<u>101,918,391</u>	<u>101,088,230</u>	<u>101,945,787</u>	<u>156,440,440</u>
Special Item:				
Refund from OME-RESA	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 101,918,391</u>	<u>\$ 101,088,230</u>	<u>\$ 101,945,787</u>	<u>\$ 156,440,440</u>
Change in Net Assets				
Governmental activities	<u>\$ 2,682,264</u>	<u>\$ (3,359,623)</u>	<u>\$ (9,948,316)</u>	<u>\$ 55,360,641</u>

Source: School District financial records.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 27,592,489	\$ 25,849,872	\$ 23,527,946	\$ 24,291,458	\$ 21,207,490	\$ 14,843,852
367,422	362,940	330,505	342,193	346,312	274,717
13,032,040	11,451,584	8,315,839	8,815,701	8,274,592	7,158,273
-	-	-	4	61	152
12,722,150	12,303,735	10,830,531	10,232,657	9,406,873	8,989,604
44,083,762	42,499,856	43,661,527	40,865,256	37,671,696	32,714,517
-	-	-	-	-	-
-	-	-	-	-	-
3,798,530	3,171,236	1,370,041	786,837	290,056	767,772
378,571	114,942	109,646	4,493	7,282	68,141
<u>101,974,964</u>	<u>95,754,165</u>	<u>88,146,035</u>	<u>85,338,599</u>	<u>77,204,362</u>	<u>64,817,028</u>
-	78,432	-	-	-	-
-	78,432	-	-	-	-
<u>\$ 101,974,964</u>	<u>\$ 95,832,597</u>	<u>\$ 88,146,035</u>	<u>\$ 85,338,599</u>	<u>\$ 77,204,362</u>	<u>\$ 64,817,028</u>
<u>\$ 3,657,415</u>	<u>\$ 4,623,251</u>	<u>\$ 258,979</u>	<u>\$ 1,915,963</u>	<u>\$ 3,396,446</u>	<u>\$ (2,040,166)</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:				
Nonspendable	\$ 108,010	\$ 108,045	\$ -	\$ -
Restricted	22,684	22,684	-	-
Committed	300,000	300,000	-	-
Assigned	2,050,500	2,641,294	-	-
Unassigned	6,265,808	110,176	-	-
Reserved	-	-	3,727,023	4,482,583
Unreserved	-	-	2,458,979	7,991,343
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total general fund	<u>\$ 8,747,002</u>	<u>\$ 3,182,199</u>	<u>\$ 6,186,002</u>	<u>\$ 12,473,926</u>
All Other Governmental Funds:				
Nonspendable	\$ 58,429	\$ 38,990	\$ -	\$ -
Restricted	31,574,010	40,828,063	-	-
Unassigned (deficit)	(76,568)	(204,867)	-	-
Reserved	-	-	21,517,418	22,637,462
Unreserved, reported in:				
Special revenue funds	-	-	5,820,541	4,817,266
Capital projects funds	-	-	10,962,492	5,153,568
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all other governmental funds	<u>31,555,871</u>	<u>40,662,186</u>	<u>38,300,451</u>	<u>32,608,296</u>
Total governmental funds	<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>	<u>\$ 44,486,453</u>	<u>\$ 45,082,222</u>

Source: School District financial records.

Note: The School District implemented GASB 54 in 2011.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,040,380	5,752,961	6,619,476	5,319,738	4,037,297	3,905,777
<u>7,584,023</u>	<u>4,447,162</u>	<u>2,390,422</u>	<u>3,125,916</u>	<u>1,851,878</u>	<u>420,002</u>
<u>\$ 11,624,403</u>	<u>\$ 10,200,123</u>	<u>\$ 9,009,898</u>	<u>\$ 8,445,654</u>	<u>\$ 5,889,175</u>	<u>\$ 4,325,779</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
48,142,449	20,186,286	12,800,490	11,665,682	9,908,916	15,150,607
4,909,347	4,260,742	3,790,669	3,209,491	2,648,206	3,091,503
<u>12,362,602</u>	<u>53,492,285</u>	<u>448,780</u>	<u>1,238,254</u>	<u>2,700,849</u>	<u>1,134,334</u>
<u>65,414,398</u>	<u>77,939,313</u>	<u>17,039,939</u>	<u>16,113,427</u>	<u>15,257,971</u>	<u>19,376,444</u>
<u>\$ 77,038,801</u>	<u>\$ 88,139,436</u>	<u>\$ 26,049,837</u>	<u>\$ 24,559,081</u>	<u>\$ 21,147,146</u>	<u>\$ 23,702,223</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
From local sources:				
Property taxes	\$ 42,782,880	\$ 41,258,734	\$ 41,103,153	\$ 41,292,565
Income taxes	14,139,974	13,600,552	12,328,783	12,707,691
Payment in lieu of taxes	152,625	231,511	93,764	-
Tuition	511,088	393,460	431,780	462,861
Earnings on investments	121,009	195,227	379,180	1,549,097
Charges for services	2,602,529	2,699,934	2,625,572	2,568,292
Extracurricular	1,319,523	1,084,725	1,015,191	987,737
Classroom materials and fees	472,927	436,836	498,254	479,304
Rental income	238,207	207,801	212,066	392,681
Contributions and donations	74,891	44,207	115,477	109,700
Contract services	394,464	-	-	51,244
Other local revenues	277,265	211,260	315,056	228,291
Intergovernmental - state	66,401,300	69,553,463	59,931,199	51,990,846
Intergovernmental - federal	6,491,029	8,288,504	7,685,262	3,236,286
Total revenues	<u>135,979,711</u>	<u>138,206,214</u>	<u>126,734,737</u>	<u>116,056,595</u>
Expenditures				
Current:				
Instruction:				
Regular	43,181,514	46,784,345	46,539,027	45,788,488
Special	8,155,136	8,878,709	8,774,522	7,672,561
Vocational	418,464	1,061,573	1,080,428	1,099,164
Adult/Continuing	-	-	-	-
Other	3,410,655	2,966,744	3,049,232	2,817,581
Current:				
Pupil	4,787,908	5,217,514	4,976,200	4,467,457
Instructional staff	5,102,064	7,130,627	7,416,364	6,481,033
Board of education	522,884	711,357	569,839	522,685
Administration	7,954,131	8,240,838	8,668,252	7,899,344
Fiscal	1,854,292	1,865,065	1,736,225	1,721,471
Business	535,674	502,468	572,732	618,494
Operations and maintenance	9,991,213	9,648,741	9,340,562	8,764,331
Pupil transportation	5,385,979	5,445,342	6,247,484	4,979,336
Central	165,403	175,442	165,243	171,022
Operation of non-instructional services:				
Food service operations	3,839,705	4,180,731	3,989,268	3,621,376
Other non-instructional services	48,703	54,984	73,232	72,379
Extracurricular activities	2,053,384	2,585,584	2,975,439	2,631,807
Facilities acquisitions and construction	27,039,867	18,928,748	6,838,942	34,760,364
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	9,770,591	9,030,543	8,532,187	7,962,219
Interest and fiscal charges	5,303,656	5,438,927	5,742,451	5,928,532
Bond issuance costs	-	-	-	-
Total expenditures	<u>139,521,223</u>	<u>138,848,282</u>	<u>127,287,629</u>	<u>147,979,644</u>
Excess (deficiency) of revenues over (under) expenditures	(3,541,512)	(642,068)	(552,892)	(31,923,049)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	41,374,565	\$ 36,574,014	\$ 32,106,102	\$ 33,010,092	\$ 29,823,568	\$ 22,493,344
	12,722,150	12,303,735	10,830,531	10,232,657	9,406,873	8,989,604
	-	-	-	-	-	-
	502,651	364,682	385,844	286,220	280,210	281,903
	4,248,136	2,774,353	1,277,723	714,940	263,681	851,930
	2,458,391	2,321,306	2,259,423	2,173,639	1,744,919	1,509,232
	990,206	924,704	870,861	805,804	738,964	403,769
	471,680	471,038	423,830	467,455	434,711	-
	28,800	140,458	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	682,034	442,059	576,289	408,438	753,963	661,944
	47,605,837	45,708,793	43,900,733	41,317,653	37,972,112	32,868,901
	3,088,903	2,541,278	2,389,178	2,358,521	1,875,694	1,121,509
	<u>114,173,353</u>	<u>104,566,420</u>	<u>95,020,514</u>	<u>91,775,419</u>	<u>83,294,695</u>	<u>69,182,136</u>
	44,385,494	42,491,231	39,459,304	36,981,507	33,883,467	29,885,280
	7,085,188	6,630,911	5,836,223	5,225,258	4,771,884	4,402,242
	1,107,582	1,051,999	1,036,313	868,236	742,302	911,222
	-	-	-	10,895	-	-
	2,404,790	2,216,745	1,796,253	1,581,660	1,122,608	751,589
	4,323,183	4,100,926	3,946,185	3,802,951	3,315,532	3,006,873
	5,602,688	5,477,664	4,687,075	4,156,800	3,471,141	2,987,758
	517,491	449,888	496,375	398,672	478,384	323,829
	7,548,391	7,319,310	6,900,352	6,238,029	5,942,396	5,441,042
	1,798,451	1,570,047	1,495,489	1,380,806	1,301,959	1,214,685
	85,315	186,834	173,830	190,505	164,063	165,776
	8,316,116	7,470,768	7,729,018	7,369,327	6,391,724	4,970,984
	5,516,101	5,346,721	4,596,388	4,335,936	3,953,340	3,966,632
	162,150	83,733	74,200	87,250	81,416	143,673
	3,256,499	2,755,163	2,973,652	2,618,111	2,481,291	1,796,314
	65,316	124,132	86,613	84,897	43,482	37,921
	2,612,138	2,347,040	2,440,691	2,417,915	2,094,169	1,736,961
	16,959,574	4,931,875	2,237,784	2,180,142	8,024,168	35,269,073
	-	-	-	-	-	155,787
	7,445,000	5,655,780	4,015,000	3,286,383	2,610,594	2,508,810
	6,077,208	4,427,777	3,561,879	4,760,403	4,996,240	5,268,402
	-	460,097	524,754	-	207,633	50,378
	<u>125,268,675</u>	<u>105,098,641</u>	<u>94,067,378</u>	<u>87,975,683</u>	<u>86,077,793</u>	<u>104,995,231</u>
	(11,095,322)	(532,221)	953,136	3,799,736	(2,783,098)	(35,813,095)

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,100,000	\$ -	\$ 2,000,000	\$ -
Transfers (out)	(1,100,000)	-	(2,000,000)	-
Accrued interest on refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Sale of capital assets	-	-	-	162
Issuance of refunding bonds	-	-	-	-
Retirement of refunding bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Capital lease transaction	-	-	-	-
Lease purchase transaction	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>
Special Item				
Refund from OME-RESA				
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>	<u>\$ (552,892)</u>	<u>\$ (31,922,887)</u>
Capital expenditures	\$ 26,855,794	\$ 17,295,601	\$ 3,787,618	\$ 34,603,839
Debt service as a percentage of noncapital expenditures	13.38%	11.90%	11.56%	12.25%

Source: School District financial records.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ -	\$ -	\$ 665,886	\$ 333,000	\$ 2,627,993	\$ 3,936,317
-	-	(665,886)	(333,000)	(2,627,993)	(3,936,317)
-	-	-	-	30,368	1,998
-	1,211,944	3,459,639	-	635,281	87,978
-	-	-	-	-	401
-	59,900,000	67,779,907	-	13,914,992	1,880,000
-	-	-	-	-	(1,880,000)
-	-	(70,714,793)	-	(14,342,639)	-
-	-	-	-	-	155,787
-	1,432,601	-	-	-	-
-	<u>62,544,545</u>	<u>524,753</u>	<u>-</u>	<u>238,002</u>	<u>246,164</u>
-	<u>78,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (11,095,322)</u>	<u>\$ 62,090,756</u>	<u>\$ 1,477,889</u>	<u>\$ 3,799,736</u>	<u>\$ (2,545,096)</u>	<u>\$ (35,566,931)</u>
\$ 16,471,688	\$ 4,579,641	\$ 962,556	\$ 801,243	\$ 8,223,678	\$ 35,093,892
12.43%	10.49%	8.70%	9.23%	10.04%	11.20%

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property (A)		Tangible Personal Property (B)		Public Utility (C)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2011	\$ 1,098,339,860	\$ 3,138,113,886	\$ -	\$ -	\$ 14,927,250	\$ 59,709,000
2010	1,101,144,820	3,146,128,057	415,910	1,663,640	14,451,250	57,805,000
2009	1,142,219,960	3,263,485,600	819,627	3,278,508	13,415,950	38,331,286
2008	1,122,774,350	3,207,926,714	5,172,720	20,690,880	12,697,600	36,278,857
2007	1,122,831,790	3,208,090,829	4,844,002	19,376,008	12,640,160	36,114,743
2006	1,020,662,560	2,916,178,743	6,205,133	24,820,532	14,706,530	42,018,657
2005	974,433,660	2,784,096,171	10,671,040	42,684,160	15,671,040	44,774,400
2004	925,853,450	2,645,295,571	15,297,650	61,190,600	14,857,540	42,450,114
2003	802,438,990	2,292,682,829	14,528,287	58,113,148	13,829,790	39,513,686
2002	721,684,940	2,061,956,971	15,677,480	62,709,920	12,390,680	35,401,943

Source: Fairfield County Auditor's Office

(A) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(B) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. Tangible personal property tax collections were phased out entirely effective for collection year 2011.

(C) Assumes public utilities are assessed at 25% for 2010 and after and 35% for 2009 and prior.

		Total		
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%	
\$ 85.90	\$ 1,113,267,110	\$ 3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	
80.10	1,156,455,537	3,305,095,394	34.99%	
79.70	1,140,644,670	3,264,896,451	34.94%	
80.20	1,140,315,952	3,263,581,579	34.94%	
80.60	1,041,574,223	2,983,017,932	34.92%	
76.90	1,000,775,740	2,871,554,731	34.85%	
77.30	956,008,640	2,748,936,285	34.78%	
77.70	830,797,067	2,390,309,663	34.76%	
69.80	749,753,100	2,160,068,834	34.71%	

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection Year	Franklin County	Fairfield County	City of Pickerington	City of Reynoldsburg	City of Columbus	Pickerington Local School District					
						Voted					
						General	Bond	Classroom Facilities	Permanent Improvement	Unvoted	Total
2011/2012	18.07	8.55	7.80	0.70	2.90	67.70	13.20	0.50	-	4.50	85.90
2010/2011	18.07	8.55	7.80	0.70	2.90	62.20	13.50	0.50	-	4.50	80.70
2009/2010	18.02	8.55	7.80	0.70	2.90	62.20	12.90	0.50	-	4.50	80.10
2008/2009	18.02	7.55	7.80	0.70	2.90	62.20	12.50	0.50	-	4.50	79.70
2007/2008	18.49	7.55	7.80	0.70	2.90	62.20	13.00	0.50	-	4.50	80.20
2006/2007	17.79	7.55	7.80	0.70	2.90	62.20	13.40	0.50	-	4.50	80.60
2005/2006	18.44	7.55	7.80	0.70	2.90	62.20	9.70	0.50	-	4.50	76.90
2004/2005	18.44	7.55	7.80	0.70	2.90	62.20	10.10	0.50	-	4.50	77.30
2003/2004	18.44	7.55	7.80	0.70	2.90	62.20	10.50	0.50	-	4.50	77.70
2002/2003	17.64	7.05	7.80	0.70	2.90	54.30	10.50	0.50	-	4.50	69.80

Source: Fairfield County and Franklin County Auditor's Offices

Madison Township	Madison Township - City of Pickerington	Violet Township	Violet City of Pickerington/ Reynoldsburg	Liberty Township	School District Public Library	Eastland Joint Vocational School	Tax Year/ Collection Year
21.80	21.20	14.05	12.35	11.57	0.85	2.00	2011/2012
21.80	21.20	14.05	12.35	11.57	0.87	2.00	2010/2011
21.80	21.20	14.05	12.35	11.57	0.90	2.00	2009/2010
21.80	21.20	14.05	12.35	11.57	0.15	2.00	2008/2009
21.80	21.20	13.85	12.15	11.57	0.15	2.00	2007/2008
21.80	21.20	12.85	12.15	11.57	0.15	2.00	2006/2007
21.80	21.20	13.83	12.15	11.57	0.15	2.00	2005/2006
21.80	21.20	13.55	12.15	7.57	0.20	2.00	2004/2005
21.80	21.20	13.65	12.15	7.57	0.30	2.00	2003/2004
21.80	21.20	13.65	12.15	7.57	0.30	2.00	2002/2003

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2011 AND DECEMBER 31, 2003

December 31, 2011			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Anyi Apartments LLC	\$ 6,518,750	1	0.59%
Target Corporation	6,328,960	2	0.57%
Pickerington Apartments LLC	6,232,070	3	0.56%
South Central Power Company	5,801,980	4	0.52%
Regency Centers LP	5,583,700	5	0.50%
Lakes Edge	5,057,920	6	0.45%
OH Retail II LL LLC	4,295,640	7	0.39%
Creekside I Acouisition LLC	4,243,750	8	0.38%
B & G Realty Inc	4,116,030	9	0.37%
Pickerington Square LP	4,102,440	10	0.37%
Total	\$ 52,281,240		\$ 1,113,267,110

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Brentwood Lake, Inc.	\$ 7,568,750	1	0.91%
NOCA Apartments One Limited	5,436,030	2	0.65%
AERC Turnbury Inc.	4,025,000	3	0.48%
Regency Centers LP	3,972,080	4	0.48%
Lakes Edge Partnership	3,932,590	5	0.47%
South Central Power Company	3,712,270	6	0.45%
Brooksedge at Tussing, Inc.	3,485,000	7	0.42%
Interstate Limited Partnership	3,380,790	8	0.41%
Dominion Homes, Inc.	2,717,440	9	0.33%
Centex Homes	2,673,870	10	0.32%
Total	\$ 40,903,820		\$ 830,797,067

Source: Fairfield County Auditor's Office

Note: Information on principal property tax payers prior to December 31, 2003 was unavailable.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection (1)	Total Collection	Total Collection As a Percent of Total Levy (1)
2011/2012	\$ 52,683,360	\$ 51,537,170	97.82%	\$ 841,025	\$ 52,378,195	99.42%
2010/2011	47,007,065	45,820,100	97.47%	1,690,921	47,511,021	101.07%
2009/2010	45,892,289	44,294,246	96.52%	1,265,356	45,559,602	99.28%
2008/2009	45,497,947	43,960,111	96.62%	1,404,352	45,364,463	99.71%
2007/2008	42,910,126	41,355,774	96.38%	1,140,168	42,495,942	99.03%
2006/2007	42,652,185	40,545,738	95.06%	1,127,694	41,673,432	97.71%
2005/2006	37,094,381	35,806,389	96.53%	877,081	36,683,470	98.89%
2004/2005	35,267,774	34,179,618	96.91%	776,789	34,956,407	99.12%
2003/2004	25,554,535	24,351,818	95.29%	574,565	24,926,383	97.54%
2002/2003	24,606,005	23,458,085	95.33%	455,996	23,914,081	97.19%

Source: Fairfield County Auditor's Office

(1) Delinquent Tax Collections are only available by collection year; therefore, the percentage of total tax collections to the current levy may exceed 100 percent in some years. The District will continue to work with the County to get this information in the future.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(B) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Lease Obligations				
2012	\$ 148,589,852	\$ 1,016,281	\$ 149,606,133	\$ 8,133	\$ 14,546	27.44%
2011	156,354,662	1,096,872	157,451,534	10,512	14,843	34.34%
2010	161,845,660	1,172,415	163,018,075	11,069	15,449	42.84%
2009	167,360,747	1,309,602	168,670,349	11,536	16,217	44.65%
2008	172,276,266	1,371,821	173,648,087	11,996	17,018	46.42%
2007	176,913,710	1,371,821	178,285,531	12,538	17,800	48.52%
2006	120,033,604	-	120,033,604	8,844	12,345	34.23%
2005	122,049,697	-	122,049,697	9,343	13,219	36.16%
2004	123,571,606	66,383	123,637,989	10,168	13,945	39.35%
2003	124,622,356	116,977	124,739,333	11,079	14,873	42.88%

Sources:

(A) See notes to the financial statements regarding the District's outstanding debt information.

(B) See schedule "Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Net Assets Restricted for Debt Service	Net Bonded Debt		
2012	\$ 148,589,852	\$ 1,039,877	\$ 147,549,975	4.61%	\$ 8,021
2011 (1)	156,354,662	134,203	156,220,459	4.87%	10,430
2010	161,845,660	16,762,215	145,083,445	4.39%	9,851
2009	167,360,747	16,531,402	150,829,345	4.62%	10,316
2008	172,276,266	15,724,746	156,551,520	4.80%	10,815
2007	176,913,710	14,153,512	162,760,198	5.46%	11,446
2006	120,033,604	11,740,575	108,293,029	3.77%	7,979
2005	122,049,697	10,009,586	112,040,111	4.08%	8,577
2004	123,571,606	8,122,116	115,449,490	4.83%	9,495
2003	124,622,356	6,500,212	118,122,144	5.47%	10,491

(1) Fiscal year 2011 amounts have been restated to reflect the effects of net asset reclassifications made to conform to current year presentation.

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 149,606,133	100.00%	\$ 149,606,133
	<u>149,606,133</u>		<u>149,606,133</u>
Overlapping debt:			
Fairfield County	5,890,000	34.93%	2,057,377
Franklin County	261,625,000	0.06%	156,975
City of Canal Winchester	2,381,353	0.05%	1,191
City of Columbus	558,703,726	0.98%	5,475,297
City of Pickerington	3,540,000	99.88%	3,535,752
City of Reynoldsburg	1,826,000	3.78%	69,023
Madison Township	511,169	0.48%	2,454
Violet Township	2,580,000	95.27%	2,457,966
Eastland-Fairfield Career & Technical JVS District	3,650,000	16.21%	591,665
	<u>840,707,248</u>		<u>14,347,700</u>
Total direct and overlapping debt	<u>\$ 990,313,381</u>		<u>\$ 163,953,833</u>

Source: Ohio Municipal Advisory Council

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2011 collection year.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (A)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2012	\$ 100,194,040	\$ 133,357,508	\$ 15,883,788	\$ 117,473,720	\$ (17,279,680)	117.25%
2011	100,403,646	139,015,433	16,812,713	122,202,720	(21,799,074)	121.71%
2010	104,007,232	144,911,786	16,532,873	128,378,913	(24,371,681)	123.43%
2009	102,653,563	151,585,255	16,163,075	135,422,180	(32,768,617)	131.92%
2008	102,175,834	157,879,129	15,114,548	142,764,581	(40,588,747)	139.72%
2007	92,933,023	162,760,198	14,537,042	148,223,156	(55,290,133)	159.49%
2006	90,069,817	108,293,029	11,159,050	97,133,979	(7,064,162)	107.84%
2005	86,040,778	112,040,111	9,447,143	102,592,968	(16,552,190)	119.24%
2004	74,771,736	115,449,490	7,711,039	107,738,451	(32,966,715)	144.09%
2003	67,477,779	118,122,144	6,032,554	112,089,590	(44,611,811)	166.11%

Source: Fairfield County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

(A): On March 28, 1996, the District was determined to be a "special needs" district, meaning the was permitted to exceed the voted debt limitation. This status was confirmed on October 5, 2000 and October 2006.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
						<u>Fairfield County</u>	<u>Ohio</u>	<u>United States</u>
2012	18,396	\$ 29,636	\$ 545,183,856	32.9	10,285	5.6%	6.9%	7.9%
2011	14,978	30,612	458,506,536	32.9	10,608	7.5%	9.0%	9.0%
2010	14,728	25,839	380,556,792	32.7	10,552	9.5%	10.4%	9.6%
2009	14,621	25,839	377,792,019	32.7	10,401	9.1%	11.1%	9.5%
2008	14,476	25,839	374,045,364	32.7	10,204	5.0%	6.7%	5.7%
2007	14,220	25,839	367,430,580	32.7	10,016	4.8%	5.5%	4.7%
2006	13,573	25,839	350,712,747	32.7	9,723	5.2%	5.9%	5.1%
2005	13,063	25,839	337,534,857	32.7	9,233	5.4%	6.2%	5.5%
2004	12,159	25,839	314,176,401	32.7	8,866	5.3%	5.7%	5.1%
2003	11,259	25,839	290,921,301	32.7	8,387	5.1%	5.5%	5.7%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO**

December 31, 2011			
Employer	Employees	Rank	Percentage of Total City Employment
Pickerington Local School District	1,231	1	14.38%
Kroger Company, Inc.	270	2	3.15%
Kohl's Department Stores	267	3	3.12%
Cracker Barrel Restaurant	257	4	3.00%
Tamarkin Company, Inc.	252	5	2.94%
Kindred Nursing Center	154	6	1.80%
City of Pickerington	146	7	1.71%
Steak N' Shake	137	8	1.60%
Wendy's	126	9	1.47%
Bob Evans Farms Inc.	106	10	1.24%
Total	2,946		34.41%
Total Employment within the City	8,562		
December 31, 2004 (1)			
Employer	Employees	Rank	
Pickerington Local School District	1,005	1	
Kroger Company	320	2	
Cracker Barrel Restaurant	259	3	
Kindred Nursing Care	146	4	
R.G. Barry Corporation	106	5	
American Motorcycle Association	105	6	
City of Pickerington	95	7	
Mount Carmel Health Care Providers	59	8	
Pediatric Associates	57	9	
Huntington National Bank	54	10	
Total	2,206		
Total Employment within the City (2)	n/a		

Source: City of Pickerington CAFR

(1) Calendar Year 2004 was the first year information was available.

(2) The total employment within the City was unavailable; therefore, the percentage of total city employment can not be calculated.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

<u>Type</u>	<u>2012</u>	<u>2011</u>	<u>2010 (3)</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006 (1)</u>	<u>2005 (1)</u>	<u>2004 (2)</u>
Office - administrative	42.50	43.00	41.60	43.50	41.00	39.50	39.00	37.50	34.50
Professional - educational	587.89	654.00	680.24	676.29	687.10	640.40	591.40	558.80	515.55
Professional - other	23.70	30.30	27.78	25.60	24.40	25.40	22.10	22.10	16.40
Technical	16.00	18.50	16.50	13.50	12.50	12.50	12.50	13.00	12.41
Office - clerical	109.65	126.30	149.35	141.54	138.50	125.60	122.70	109.90	82.21
Craft & trade	10.00	13.00	12.00	11.00	9.00	9.00	9.00	7.00	7.00
Service worker/laborer	138.17	136.70	113.70	106.15	106.25	100.60	97.80	95.10	91.78
Total	927.91	1,021.80	1,041.17	1,017.58	1,018.75	953.00	894.50	843.40	759.85

<u>Function</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006 (1)</u>	<u>2005 (1)</u>	<u>2004 (2)</u>
Instruction:									
Regular	452.85	520.50	526.07	542.12	552.45	523.10	481.70	476.10	428.25
Special	83.00	97.20	91.60	89.55	85.35	72.50	66.00	47.90	38.00
Vocational	2.00	11.00	12.00	12.00	11.80	11.50	12.10	9.70	10.00
Support Services:									
Pupil	182.72	183.20	181.83	174.26	173.40	169.00	163.40	144.80	52.90
Instructional staff	26.50	26.50	40.37	19.50	20.50	19.30	18.50	18.80	73.12
Administration	42.71	43.60	47.60	48.00	45.00	33.00	32.00	30.00	61.30
Fiscal	8.00	8.00	9.00	8.00	9.00	9.00	9.00	9.00	9.00
Business	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Operations and maintenance	85.38	87.40	87.75	82.00	79.75	74.00	75.50	70.50	55.00
Food service operations	42.75	42.40	42.95	40.15	40.50	39.60	34.30	34.60	30.28
Total Governmental Activities	927.91	1,021.80	1,041.17	1,017.58	1,018.75	953.00	894.50	843.40	759.85

Source: School District records

Note: Pupil transportation services are contracted to a third party, therefore these personnel are not paid directly by the District.

- (1): These amounts have been changed from what was previously reported to include employees that were not previous included.
- (2): Past data was not easily attainable therefore estimates have been used if data could not be obtained. Information prior to fiscal year 2004 was not available.
- (3): Modifications to the state's EMIS system has resulted in improved employee reporting.

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular and Special Enrollment (students) *	10,285	10,608	10,552	10,401	10,204	10,016	9,723	9,233	8,866	8,387
Graduates	N/A	N/A	N/A	N/A	669	659	663	606	554	497
Support services:										
Board of education										
Regular meetings per year	21	19	22	16	18	18	18	15	17	15
Special meetings per year	11	14	1	6	5	13	12	13	12	11
Administration										
Nonpayroll checks issued	5,265	5,690	6,203	6,337	6,222	6,984	6,702	7,680	7,638	6,906
Pupil transportation										
Avg. students transported daily	5,676	5,841	5,783	5,974	6,327	6,538	5,973	5,457	5,413	5,589
Food service operations										
Meals served to students	1,091,064	1,157,080	1,214,930	1,089,654	1,032,376	1,013,039	992,018	928,798	928,457	805,711

*: Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students. These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.
N/A: Information is not available.

Source: District records

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Land	\$ 9,300,237	\$ 9,300,237	\$ 9,300,237	\$ 7,754,673	\$ 7,645,730
Land improvements	10,756,622	11,612,655	12,468,688	8,137,713	7,921,473
Buildings and improvements	161,060,012	120,185,213	125,387,591	87,381,727	91,302,686
Furniture and equipment	1,446,157	1,695,973	1,928,096	1,289,372	1,469,165
Vehicles	634,881	774,935	877,912	574,298	583,289
Construction in progress	-	19,821,028	2,692,206	50,924,298	17,435,869
Total Governmental Activities Capital Assets, net	<u>\$ 183,197,909</u>	<u>\$ 163,390,041</u>	<u>\$ 152,654,730</u>	<u>\$156,062,081</u>	<u>\$126,358,212</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 7,645,730	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899
8,498,320	9,072,627	8,636,895	9,141,608	1,963,748
95,223,643	97,451,837	101,362,695	105,241,129	46,040,541
1,585,862	1,791,751	1,967,504	2,184,931	414,056
686,636	614,412	513,598	149,174	10,604
1,158,379	-	278,952	-	64,311,992
<u>\$114,798,570</u>	<u>\$115,021,526</u>	<u>\$118,850,543</u>	<u>\$122,807,741</u>	<u>\$118,831,840</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007
Heritage Elementary (1907) (1)						
Square feet	92,544	92,544	92,544	92,544	92,544	92,544
Capacity (students)	771	771	771	771	771	771
Enrollment	392	423	420	778	785	736
Fairfield Elementary (1980)						
Square feet	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	387	387	387	387	387	787
Enrollment	431	507	535	783	769	767
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	572	572	572	372	372	372
Enrollment	512	551	545	745	740	729
Tussing Elementary (1996)						
Square feet	75,501	75,501	75,501	75,501	75,501	75,501
Capacity (students)	653	653	653	653	653	653
Enrollment	596	634	670	808	790	811
Violet Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	372	372	372	372	372	372
Enrollment	406	368	395	662	675	700
Diley Middle School (2000)						
Square feet	94,951	94,951	94,951	94,951	94,951	94,951
Capacity (students)	693	693	693	693	693	693
Enrollment	542	546	572	837	751	725
Harmon Middle School (2000)						
Square feet	89,211	89,211	89,211	89,211	89,211	89,211
Capacity (students)	656	656	656	656	656	656
Enrollment	615	592	604	846	807	850
Ridgeview Junior High School (1968)						
Square feet	115,851	115,851	115,851	115,851	115,851	115,851
Capacity (students)	821	821	821	821	821	821
Enrollment	841	870	808	772	819	823
Lakeview Junior High School (2003)						
Square feet	142,082	142,082	142,082	142,082	142,082	142,082
Capacity (students)	1,008	1,008	1,008	1,008	1,008	1,008
Enrollment	862	908	841	865	875	860
Pickerington Central High School (1991)						
Square feet	261,099	245,652	245,652	245,652	245,652	245,652
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,633	1,647	1,619	1,566	1,458	1,349
Pickerington North High School (2003)						
Square feet	323,473	323,473	323,473	323,473	323,473	323,473
Capacity (students)	1,937	1,937	1,937	1,937	1,937	1,937
Enrollment	1,759	1,838	1,830	1,739	1,735	1,666
Sycamore Creek Elementary (2009)						
Square feet	86,695	86,695	86,695	N/A	N/A	N/A
Capacity (students)	750	750	750	N/A	N/A	N/A
Enrollment	689	704	653	N/A	N/A	N/A
Toll Gate Elementary (2009)						
Square feet	86,695	86,695	86,695	N/A	N/A	N/A
Capacity (students)	774	774	774	N/A	N/A	N/A
Enrollment	536	559	565	N/A	N/A	N/A
Toll Gate Middle School (2009)						
Square feet	101,867	101,867	101,867	N/A	N/A	N/A
Capacity (students)	800	800	800	N/A	N/A	N/A
Enrollment	471	461	495	N/A	N/A	N/A
Total enrollment by year	10,285	10,608	10,552	10,401	10,204	10,016

Source: District records, including square footage and capacity data provided by a recent study performed by Ohio School Facilities Commission (OSFC) and enrollment data from the head counts performed for the SF-3 Average Daily Membership calculations.

Notes: Year of original construction is in parentheses.

In cases in which enrollment numbers are larger than capacity the District has utilized portable classrooms, which are not included in square footage or capacity amounts. Renovations have been made to several buildings over the years; however, related changes in square footage and capacity are not available. The District has presented the current square footage and capacity figures as of the study performed by OSFC.

- (1) Heritage Elementary operates as a "swing" building. Heritage accommodated middle school students during school years 1996-2000, K-4 students for school years 2002-2003, K-5 students for school year 2005 and K-6 students for school year 2006.
- (2) During school year 2001 Heritage was closed for renovations.

2006	2005	2004	2003
92,544	92,544	92,544	92,544
771	771	771	771
869	655	576	471
48,435	48,435	48,435	48,435
787	787	787	787
696	659	643	665
46,516	46,516	46,516	46,516
372	372	372	372
773	860	739	656
75,501	75,501	75,501	75,501
653	653	653	653
844	789	820	814
46,516	46,516	46,516	46,516
372	372	372	372
721	747	732	736
94,951	94,951	94,951	94,951
693	693	693	693
684	681	689	697
89,211	89,211	89,211	89,211
656	656	656	656
646	632	679	641
115,851	115,851	115,851	115,851
821	821	821	821
719	637	599	1,321
142,082	142,082	142,082	N/A
1,008	1,008	1,008	N/A
879	809	801	N/A
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
1,216	1,088	1,170	2,386
323,473	323,473	323,473	N/A
1,937	1,937	1,937	N/A
1,676	1,676	1,418	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
9,723	9,233	8,866	8,387

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

EDUCATIONAL INDICATORS
LAST TEN FISCAL YEARS

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
3rd Grade Achievement										
(Initiated March, 2005)										
Reading	88.8%	87.4%	89.1%	89.7%	89.9%	90.6%	90.6%	90.9%	92.8%	N/A
Mathematics	88.5%	87.6%	80.3%	87.2%	87.8%	87.0%	83.8%	80.8%	N/A	N/A
4th Grade Proficiency/Achievement										
(Initiated March, 1995)										
Reading	89.2%	90.7%	90.4%	90.8%	93.2%	89.0%	89.5%	89.7%	87.5%	82.7%
Writing	N/A	N/A	N/A	93.6%	93.2%	90.5%	93.1%	90.3%	91.0%	88.3%
Mathematics	87.1%	86.6%	82.2%	85.5%	83.1%	84.7%	89.7%	82.0%	82.9%	77.6%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.7%	79.7%	73.0%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	83.2%	79.3%	79.9%
5th Grade Achievement										
(Initiated March, 2005)										
Reading	89.3%	88.8%	81.7%	83.3%	85.1%	89.5%	87.0%	89.6%	N/A	N/A
Mathematics	84.3%	79.1%	81.2%	77.2%	75.1%	71.1%	72.3%	N/A	N/A	N/A
Science	86.7%	84.9%	84.9%	85.9%	82.2%	82.0%	N/A	N/A	N/A	N/A
Citizenship	N/A	N/A	N/A	80.2%	83.5%	74.8%	N/A	N/A	N/A	N/A
6th Grade Proficiency/Achievement										
(Initiated March, 1996)										
Reading	96.6%	94.6%	91.9%	91.7%	93.7%	89.4%	94.6%	84.2%	85.5%	86.4%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.6%	97.2%	95.2%
Mathematics	91.9%	88.7%	85.4%	85.2%	89.4%	82.0%	74.7%	80.7%	87.6%	73.8%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.6%	83.1%	87.2%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	88.5%	88.5%	91.5%
7th Grade Achievement										
(Initiated March, 2005)										
Reading	93.0%	89.2%	90.6%	90.9%	88.8%	89.5%	91.2%	N/A	N/A	N/A
Mathematics	80.4%	79.4%	75.7%	82.8%	76.3%	79.2%	74.8%	71.3%	N/A	N/A
Writing	N/A	N/A	N/A	96.8%	95.2%	93.0%	N/A	N/A	N/A	N/A
8th Grade Achievement										
(Initiated March, 2005)										
Reading	92.8%	94.3%	90.8%	84.7%	82.8%	92.5%	88.7%	90.4%	N/A	N/A
Mathematics	86.6%	83.2%	74.0%	78.6%	80.1%	86.2%	81.5%	74.0%	N/A	N/A
Science	82.8%	78.1%	78.2%	77.7%	77.6%	81.7%	N/A	N/A	N/A	N/A
Citizenship	N/A	N/A	N/A	68.9%	70.4%	70.7%	N/A	N/A	N/A	N/A
9th Grade Proficiency										
(Passing on 1st Attempt)										
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.9%	96.4%
Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.3%	95.4%
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.8%	89.9%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.9%	93.8%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.6%	92.1%
10th Grade Ohio Graduation Test (OGT):										
(Initiated March, 2005)										
Reading	94.1%	93.6%	90.3%	92.4%	91.4%	94.1%	96.3%	97.2%	N/A	N/A
Writing	92.9%	95.2%	91.0%	97.8%	91.5%	94.8%	96.0%	93.0%	N/A	N/A
Mathematics	90.3%	91.0%	88.9%	91.8%	90.4%	93.0%	93.6%	92.7%	N/A	N/A
Science	88.1%	85.4%	81.2%	89.2%	84.8%	84.3%	88.8%	87.8%	N/A	N/A
Social Studies	90.2%	89.7%	88.4%	93.1%	88.1%	87.1%	91.6%	89.8%	N/A	N/A
ODE Per Pupil Costs										
Pickerington	N/A	\$ 9,865	\$ 9,876	\$ 9,623	\$ 9,299	\$ 8,917	\$ 8,834	\$ 8,346	\$ 7,998	\$ 7,426
State	N/A	\$ 10,571	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586	\$ 9,356	\$ 9,048	\$ 8,758	\$ 8,438
Pupil/Teacher Ratio	N/A	N/A	N/A	N/A	19.10	20.50	20.20	21.00	21.40	18.00
Student Attendance Rate	95.8%	95.5%	95.4%	95.5%	95.7%	96.4%	96.4%	96.6%	96.6%	96.2%
High School Graduation Rate	91.2%	96.6%	96.6%	95.0%	97.7%	97.9%	98.1%	97.1%	95.8%	98.2%
Performance Standards										
Pickerington	26	26	25	29	29	27	22	21	18	20
Number of Standards	26	26	26	30	30	30	25	23	18	22
Rating	Excellent with Distinction	Excellent with Distinction	Excellent	Excellent with Distinction	Excellent with Distinction	Continuous Improvement	Excellent	Effective	Excellent	Effective
Performance Index Score	103.5	102.8	100.7	101.8	100.9	100.0	101.1	99.7	99.5	96.7

Note: Data for items marked "N/A" are either unavailable or not applicable for the respective reporting period.

Sources: School District records and Ohio Department of Education

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Percent Change	Teaching Staff
	Expenditures (1)		Expenses (1)	Enrollment (2)		
2012	\$ 124,446,976		\$ 104,534,767	10,285	-3.04%	613
2011	124,378,812		114,076,500	10,608	0.53%	688
2010	113,012,991		116,640,204	10,552	1.45%	707
2009	134,088,893		104,661,487	10,401	1.93%	710
2008	111,746,467		100,339,040	10,204	1.88%	709
2007	94,554,987		94,489,579	10,016	3.01%	689
2006	85,965,745		89,821,383	9,723	5.31%	658
2005	79,928,897		83,927,573	9,233	4.14%	618
2004	78,263,326		73,414,993	8,866	5.71%	617
2003	97,167,641		64,576,632	8,387	5.70%	586

Sources: District records and the Ohio Department of Education

(1) Debt Service totals have been excluded.

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

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

Note: Cost per pupil, teacher/pupil ratios and attendance rates have been presented on the "Educational Indicators - Last Ten Fiscal Years" table on page S 34.

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Dave Yost • Auditor of State

PICKERINGTON LOCAL SCHOOL DISTRICT

FAIRFIELD 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 26, 2013**