

Comprehensive Annual Financial Report

Fiscal Year ending June 30, 2020



Pickerington
SCHOOLS

EDUCATING FOR TOMORROW

90 N. East St. | Pickerington, Ohio 43147 | www.pickerington.k12.oh.us
Fairfield and Franklin Counties, Ohio

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian & Grube, Inc., for the audit period July 1, 2019 through June 30, 2020. 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 cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 25, 2021

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**PICKERINGTON LOCAL
SCHOOL DISTRICT
PICKERINGTON, OHIO**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2020

**PREPARED BY
TREASURER'S DEPARTMENT
RYAN JENKINS, TREASURER**

INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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December 21, 2020

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, 2020 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 Treasurer’s Office 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, 2020, were audited by Julian and Grube, Inc. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The single audit report is not included in the CAFR. This transmittal letter is designed to provide historical information about the District, as well as complement the required Management’s Discussion and Analysis (discussed below). 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, one alternative high school, two junior high schools, three middle schools, and seven elementary schools as of June 30, 2020. The District had approximately 10,530 students in grades kindergarten through the twelfth grade and approximately 218 preschool students enrolled during the 2019-2020 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.

“Our mission is to provide all children an efficient and nurturing educational environment which creates life-long learners who are socially responsible citizens. We believe children are our primary focus.”

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 Superintendents, the Director of Human Resources, the Director of Student Services and the building principals.

INTERNAL CONTROLS

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 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 Learners ("EL students"), students with disabilities and gifted students; student guidance and health services; as well as extracurricular activities.

While rapid growth in student population in past years 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; Diley Middle School and Harmon Middle School) 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.

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 (Toll Gate Middle School, Toll Gate Elementary School, and Sycamore Creek Elementary School). 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 (Pickerington Central High School, Ridgeview Junior High School, Fairfield Elementary School, Pickerington Elementary School, and Violet Elementary School).

As a note of additional disclosure, on November 3, 2020, District voters defeated a proposed 2.90 mill bond issue that would have raised \$95 million in proceeds to construct a new junior high; add 24 classrooms to Pickerington Central, and 18 classrooms to Pickerington North; renovate Ridgeview Junior High School into a combined K-4 elementary school and 5-6 middle school; renovate Heritage Elementary School into a Pre-School learning Center; and would have allowed for miscellaneous classroom upgrades and appurtenances. The issue was defeated by about 2,000 votes in the midst of the Coronavirus Pandemic.

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, numerous STEM offerings, 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, 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

The Coronavirus pandemic dramatically affected schools during the spring of 2020. Like most public schools in the country, Pickerington Schools were shut down by Ohio Department of Health Order on March 14, 2020 (note this order was issued in conjunction with the Governor Mike DeWine's Executive Order 2020-01D, which was also issued on March 14, 2020). Due to the ordered school closures, which occurred at the very beginning of the typical state testing assessment cycle, most state tests were not given to Pickerington School students, or to any students throughout the state for that matter. The Ohio Department of Education released report cards for the 2019-2020 school year, but did not provide any grades due to the pandemic and subsequent closures.

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District Grade

District Overview

Districts and schools report information for the Ohio School Report Cards on specific marks of performance, called measures, within broad categories called components. They receive grades for up to 10 measures and six components. The 2019-2020 report card will not have grades or ratings. Limited data is available due to the coronavirus pandemic and ordered school-building closure.

[District Details](#)

[View Schools](#)

[Financial Data](#)

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[Click here to go to the district's profile page.](#)

By clicking this link you will leave the Ohio Department of Education's website, and the Department is not responsible for any external site's content.

Achievement

This component represents whether student performance on state tests met established thresholds and how well students performed on tests overall. The data for this component is not available this year.



Progress

This component looks closely at the growth all students are making based on their past performances. The data for this component is not available this year.



Gap Closing

This component shows how well schools are improving or meeting the performance expectations for all students in English language arts, math, graduation and English language proficiency. The data for this component is not available this year.



Graduation Rate

This component shows the percent of students who are successfully finishing high school with a diploma in four or five years. This data is available and was not impacted for the reporting years.



Improving At-Risk K-3 Readers

This component looks at how successful schools are at improving reading for at-risk students in grades K-3. This data is partially available this year.



Prepared for Success

This component looks at how well prepared Ohio's students are for future opportunities, whether training in a technical field or preparing for work or college. This data is available and was not impacted for the reporting years.



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MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Data Analysis: Building Leadership Teams and Teacher Based Teams analyze and disaggregate all value-added and achievement results with all teachers of Core Content areas. Data from Ohio Achievement Standardized 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 the intervention teacher.

Professional Development: Job-embedded professional learning opportunities are provided to all teaching staff during weekly grade level/content team meetings and district two-hour delays and full day district professional development opportunities. Professional development revolves around implementation of the Ohio's Learning Standards, using evidence-based instructional strategies and incorporating 21st Century skills into daily practice. Building Leadership 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 has programming for gifted at each elementary and middle school through a compacted mathematics curriculum. There is also the Gateway Program which provides services across the board to highly gifted children grades 4-6. This continuum of services leads into the junior high where there are advanced math and ELA classes designed for gifted students and through to the secondary level where acceleration/enrichment opportunities are supplied by a robust AP and College Credit Plus (CCP) curriculum as well as the Mosaic Program.

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

Foreign Languages: Seventh grade students may enroll in Spanish 1 for high school credit. Eighth grade students are able to enroll in Spanish, German and French. American Sign Language is also offered at the high school. These additions have provided District students an opportunity to enroll in Advanced Placement 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: Formally accelerated junior high students have the option of earning high school credits for English 9, algebra 1, honors geometry, and integrated science courses. All junior high students may earn high school elective credits in foreign language, art, physical education, and acting and theatre history.

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, and performing arts teachers provide instruction to students K-12. 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 modern-day skills for college and career readiness for all students. A comprehensive District plan embeds technology use into teaching and learning as well as communication, intervention, data reporting and data analysis.

Technology has continued to advance, and the District has made great strides in terms of enhancing instruction by updating existing technological equipment and infrastructure. The District has made a substantial financial commitment to improving the ability of all students to go One-to-One with devices and access to a robust network infrastructure inside and outside of school to enhance the instructional process. The District has also achieved its goal of providing every student with a technology device (e.g. Chromebook and/or iPad)—Pickerington Schools is one of the largest school districts in Ohio to have achieved this goal. This proved particularly useful during the ordered school closure in the spring of 2020. The District was able to seamlessly adapt to virtual instruction for all students because every student had access to a school-issued technological device.

The District provides students with modern, up to date digital resources that integrate into the curriculum for all students. Students have access to digital content inside and outside of school so that learning can be an ongoing process that extends outside of the walls of the school. The use of technology in our classroom has allowed the district to move into more effective teaching strategies liked blended learning.

The District supports teachers' use of technology by a team of individuals on both the instructional and the infrastructure side of technology. 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 are a part of the K-6 Response to Intervention (RTI) program and 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 Ohio's State Tests. High School students have the opportunity to earn Physical Education credit during summer months. The District also offers credit recovery during the summer.

Pickerington Alternative 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 was a conversion community school which was created to provide high quality education to its students and contribute to Pickerington's effort to provide quality educational options to all children including those at risk of not graduating.

At the end of the 2016-2017 school year, the Pickerington Local Schools ended its sponsorship of the Pickerington Community School and transformed the former conversion community school into the Pickerington Alternative School (PAS). Like PCS before it, the mission of PAS is to provide its students with a customized and personalized educational experience leading to a high school graduation and meaningful post-school employment or successful transition into post-high school education.

PAS is designed to help address the needs of students who are credit deficient, and therefore not on target to graduate with their respective class. The focus is on helping those 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: improving student achievement in reading and mathematics, specifically with regards to narrowing the gaps for the following subgroups: students with disabilities; socio-economic status; and racial or ethnic status; 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 (State Student Support and Academic Initiative), 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 2019.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. During the latter half of fiscal year 2014 and throughout fiscal year 2015, the District was awarded nearly \$3.0 million in Straight A Grant funds to enhance STEM (Science, Technology, Engineering and Math) programming, in the fields of Engineering/Fabrication and Allied Health Pathways, and to enhance mathematical instruction. Furthermore, the Straight A Grant funds were also used to enhance Instructional Leadership practice. The substantial investment made in STEM programming continues to provide robust programming for students at our junior highs and high schools. According to many studies, careers in STEM will be some of the most vital to our economy in the coming years. The District believes that this programming will ensure that many of its students are adequately prepared to successfully contribute to a highly technical 21st century economy. District programming is also impacted in other areas by grant funding. Critical programming for At-Risk junior high students is provided through the WISE Program (funded by United Way); many teachers apply for and receive Martha Holden Jennings Foundation Awards for specific classroom projects and initiatives; and the Pickerington Education Foundation provides about \$17,000 each year to buildings and teachers to implement programs and services for students.

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 1,527 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 intellectual disabilities. The District supports these classrooms through smaller class sizes, intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 31 low incidence classrooms that either service the buildings in which they are located or are shared across the District. Each building has at least two intervention specialists that serve identified students in the building. Students in special education resource rooms receive a range of services from instruction in a content area to specific intervention to support a skill deficit that a student may have. The District also utilizes co-teaching in all of the buildings with their intervention specialists. The intervention specialist co-teaches with general education teachers in the general education setting so that students with disabilities can be educated in their least restrictive environment. Pickerington has 102 teachers that provide cross-categorical resource room services, co-teaching in the general classroom, or a combination of both.

In addition, students are supported by experienced related therapies and support staff consisting of 8 school psychologists, 11 speech therapists, 2 occupational therapists, an adaptive physical education teacher, a physical therapist, 1 academic/behavior coach, a work-study coordinator, and 98 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 5 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 preschool services to about 218 preschoolers. The preschool classrooms have two models which serve up to eight special needs and four typical students or eight special needs and eight typicals in each classroom. The services for preschoolers are typically center-based or itinerant-based on the needs of the 3-5 year-old students. The program also supports the students with a variety of related services.

ECONOMIC CONDITION AND OUTLOOK

Historical and Demographical Background: 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 with a total population of all District residents of approximately 52,359. 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.

On May 2, 2017, District voters rejected a Permanent Improvement levy that sought to add 3.00 mills for a continuing period of time to fund ongoing capital projects in the District.

As previously noted and in the spirit of additional disclosure of subsequent significant events, on November 3, 2020, District voters defeated a proposed 2.90 mill bond issue that would have raised \$95 million in proceeds to construct a new junior high; add 24 classrooms to Pickerington Central, and 18 classrooms to Pickerington North; renovate Ridgeview Junior High School into a combined K-4 elementary school and 5-6 renovate Heritage Elementary School into a Pre-School learning Center; and would have allowed for miscellaneous classroom upgrades and appurtenances. The issue was defeated by about 2,000 votes in the midst of the Coronavirus Pandemic.

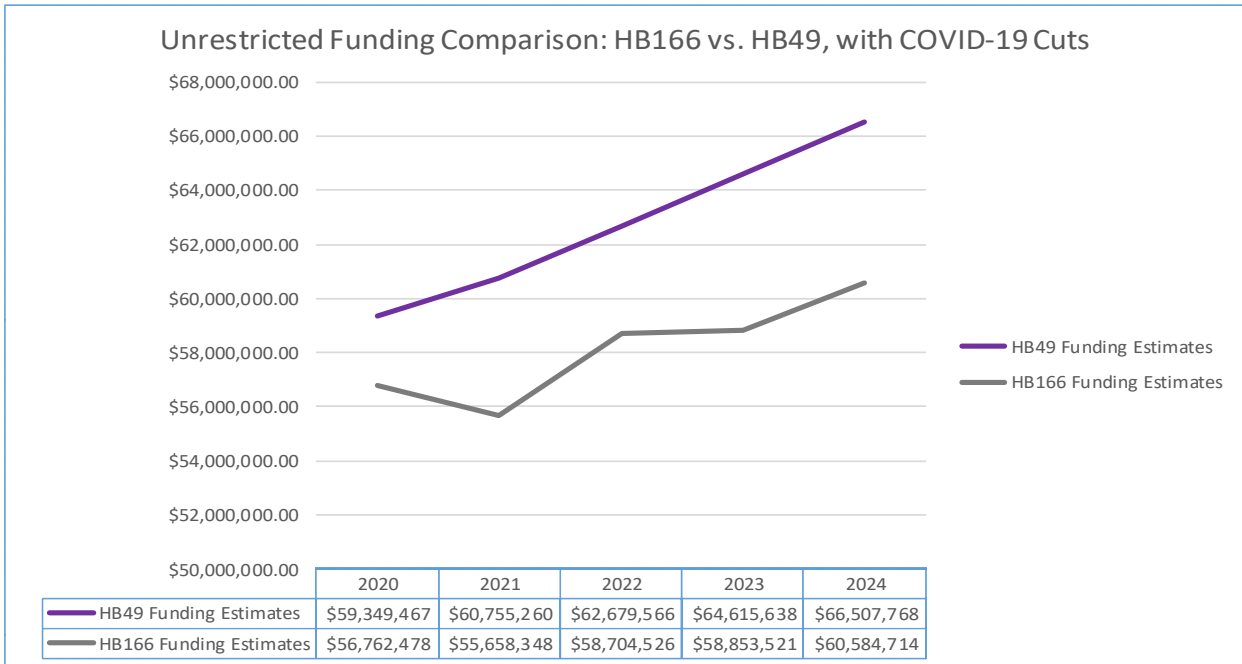
State Aid: Representing 46.4% of general fund revenue, Unrestricted Grants in Aid (a.k.a. State Foundation) is the most critical piece of funding for the District. This is also the piece of the funding that is directly tied to the biennial budget. This forecast incorporates the funding ‘formula’ enacted by HB166, the FY20-21 biennium budget. Nearly all of the funding components of the traditional funding formula in HB49 (the FY18-19 budget) were ‘frozen’ for the entire FY20-21 biennium—note though that Special Ed Transportation and Pre-School Funding were not frozen. Additionally, HB166 added Student Wellness and Success Funds, and Growing District Aid. But Student Wellness and Success Funds are not a part of the Five Year Forecast, nor are expenses from that fund (Fund 467). Those amounts are removed from both revenue and expenses via a booking entry—but for purposes of showing aid from the state, they are included in the analysis shown below.

COVID-19 Forecasted Factors

Compared to the November 2019 forecast, the state aid revenue line has been the most dramatically impacted by COVID-19. This forecast already includes a 3.20% cut to state aid enacted in May of 2020. On top of that, it assumes a 5% cut in state aid in fiscal year 2021; and flat-funding for fiscal years 2022 and 2023 (that is, total state funding in fiscal years 2022 and 2023 equaling the amounts received in fiscal year 2021 [\$58,274,440] for base aid + special ed transportation + pre-school funding + Student Wellness Funding + Growing District Aid funding). The forecast also assumes Casino Revenues begin cut by 50% in fiscal year 2021, and fiscal year 2022 levels being 75% of fiscal year 2020 before going back to ‘normal’ in fiscal year 2023.

Based on funding levels that were being forecasted in the spring of 2019, the losses in Unrestricted State Aid are the most significant the District is experiencing. The chart below shows that from fiscal year 2020 to 2024, the new funding formula, combined with losses from the COVID-19 crisis, are forecasted to remove about \$23.3MM forecasted to the District’s coffers:

	2020 Capped Calcs.	2021 Capped Calcs.	2022 Capped Calcs.	2023 Capped Calcs.	2024 Capped Calcs.		
Growth Cap	1.03	1.03	1.03	1.03	1.03	Grand Total Loss in State Aid	
Total Formula Funding (Line N) forecasted from HB49	\$57,448,262.04	\$59,151,352.43	\$60,929,479.52	\$62,716,557.33	\$64,598,054.05		
HB 166 Funding Levels (**HB 166 affects FY22 and FY23 calculations due to the cap effects)	\$55,788,688.00	\$55,788,688.38	\$55,788,688.38	\$55,788,688.38	\$55,788,688.38		
Wellness and Success Funds	\$479,083.00	\$679,346.00	\$0.00	\$0.00	\$0.00		
Growth Cap Funds	\$318,880.26	\$486,406.00	\$0.00	\$0.00	\$0.00		
Other State Funds (Spec Ed Transport, Casino, Preschool)	\$1,901,205.00	\$1,603,908.00	\$1,750,086.00	\$1,899,081.00	\$1,909,714.00		
Adjustments to Funding	-\$1,725,378.00	-\$2,900,000.00	\$1,165,752.00	\$1,165,752.00	\$2,886,311.17		
Calculated Loss in Funding	\$2,586,988.78	\$5,096,912.05	\$3,975,039.14	\$5,762,116.95	\$5,923,054.50		\$23,344,111.41



Income Tax: Income tax settlements were up 8.33% for fiscal year 2019 over fiscal year 2018. Having received our final settlement in fiscal year 2020, our overall growth for the 2019-2020 school year was still a healthy 2.03%.

COVID-19 Forecasted Factors

We were forecasting year-over-year increases of about 5.29%, on average, per year for fiscal year 2020-2024. But as occurred during the last economic downturn of 2008-2010, the COVID-19 crisis will most certainly dramatically impact this revenue line as our residents struggle with layoffs, furloughs and/or reduced wages. As a note, this revenue stream is roughly equivalent to 12.88 effective mills of property tax for Pickerington Schools—so a downturn in this revenue line is very significant. For fiscal year 2021, the income tax is forecasted to essentially ‘flat line,’ but this is only because fiscal year 2021 still has some of *calendar year 2020* in it (fiscal year 2021 runs from July 1, 2020 to June 30, 2021).

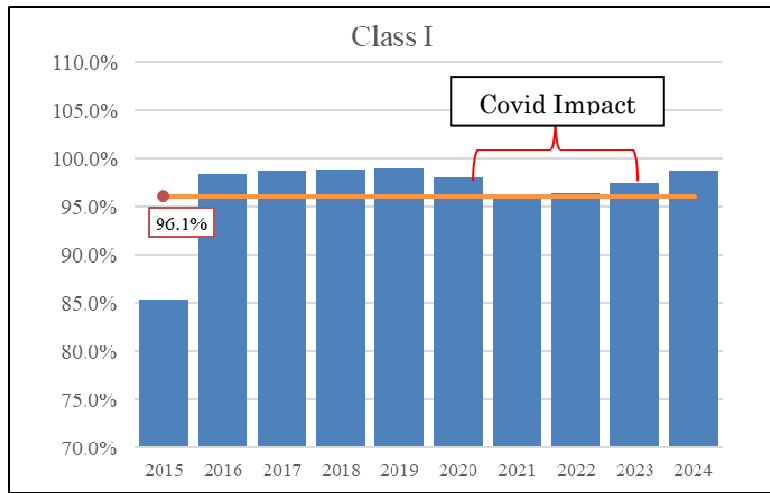
Property Taxes: Property taxes currently comprise 29.2% of total general fund revenue—a significant source of revenue for the District.

Changes in valuation due to inflation/reappraisal are ‘offset’ by increases or decreases in outside millage so that the District receives the same amount of tax revenue as in the previous year for operating levies. The District had a sexennial reappraisal in the fall of 2019. The increase in overall residential/agricultural values (Class I values) due to reappraisal/inflation for 2019 is about 20.60%, and it is forecasted to be 6.80% in 2022. On the Class II (Commercial/Industrial) side, the 2019 values decreased due to reappraisal by 3.10%; in 2022, the forecasted increase due to reappraisal/inflation is 4.40%.

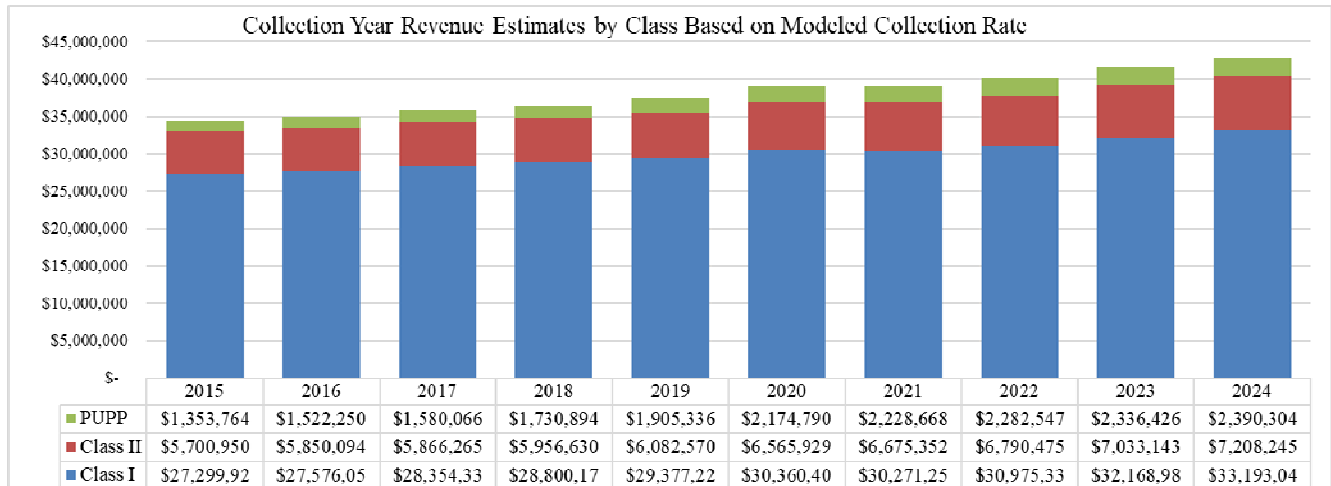
New construction in the District does allow for growth in tax revenue. For the 2020 (payable in 2021) tax year, new residential value growth is forecasted to grow by 1.80% for Class I (residential/agricultural combined) property. On the Class II side (commercial/industrial), the values are forecasted to grow by 3.00%.

COVID-19 Forecasted Factors

At this time, the forecast for residential property values continues to stay steady, even with the current economic crisis caused by COVID-19 and the resulting economic shutdown. But the District will not escape with its real estate tax base unaffected. During the last economic downturn of 2008-2010, a big impact to the District was the reduction in taxpayers paying their taxes on a current basis. Taxes that are not paid when due become delinquent taxes—and as noted, during times of economic distress, homeowners may have to choose to pay taxes in a delinquent fashion. Decreases of just a few percentage points across over \$1.5 billion in taxable value can impact our total real estate collections. For this forecast, I have modeled our collection rates dropping about 1-2% below recent averages of 98.5%. This will negatively impact our collections and overall real estate revenue in the coming years:



Putting all factors together, the following chart shows estimated Real Estate Revenue by Class and Modeled Collection Rates:



Debt Rating: In September of 2020, Moody’s Investor Services rated the District’s proposed November 3, 2020 Bond Issue. The District secured an Aa2 rating.

Cash Balance Policy: Finally, the District believes that maintaining a general fund cash balance is necessary in the interest of sound fiscal management. The Board of Education, in concert with District Management, uses the following criteria in determining the level of general fund cash balance:

- The predictability of its revenues and the volatility of its expenditures
- The Board’s perceived exposure to significant one-time outlays
- The availability of resources in other funds
- The liquidity of the general fund
- The Board’s assigned and committed fund balances.

In all cases, the Board has designated, by formal policy, a cash balance that is not less than 45 days-of normal operating expenses.

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, 2019. 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 accounting principles generally accepted in the United States of America 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, 2020 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, Dr. Chris Briggs, and the Assistant Treasurer, Mrs. Keltah Houser-Siders, 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,

A handwritten signature in black ink, appearing to read "Timothy R. Jenkins". The signature is written in a cursive, flowing style.

Timothy "Ryan" Jenkins

Treasurer

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

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

JUNE 30, 2020

Board of Education Members

President
Vice President
Member
Member
Member

Ms. Lori Sanders
Mr. Clay Lopez
Mr. Keith Kristoff
Ms. Cathy Olshefski
Ms. Vanessa Niekamp

Appointed Officials

Superintendent
Treasurer

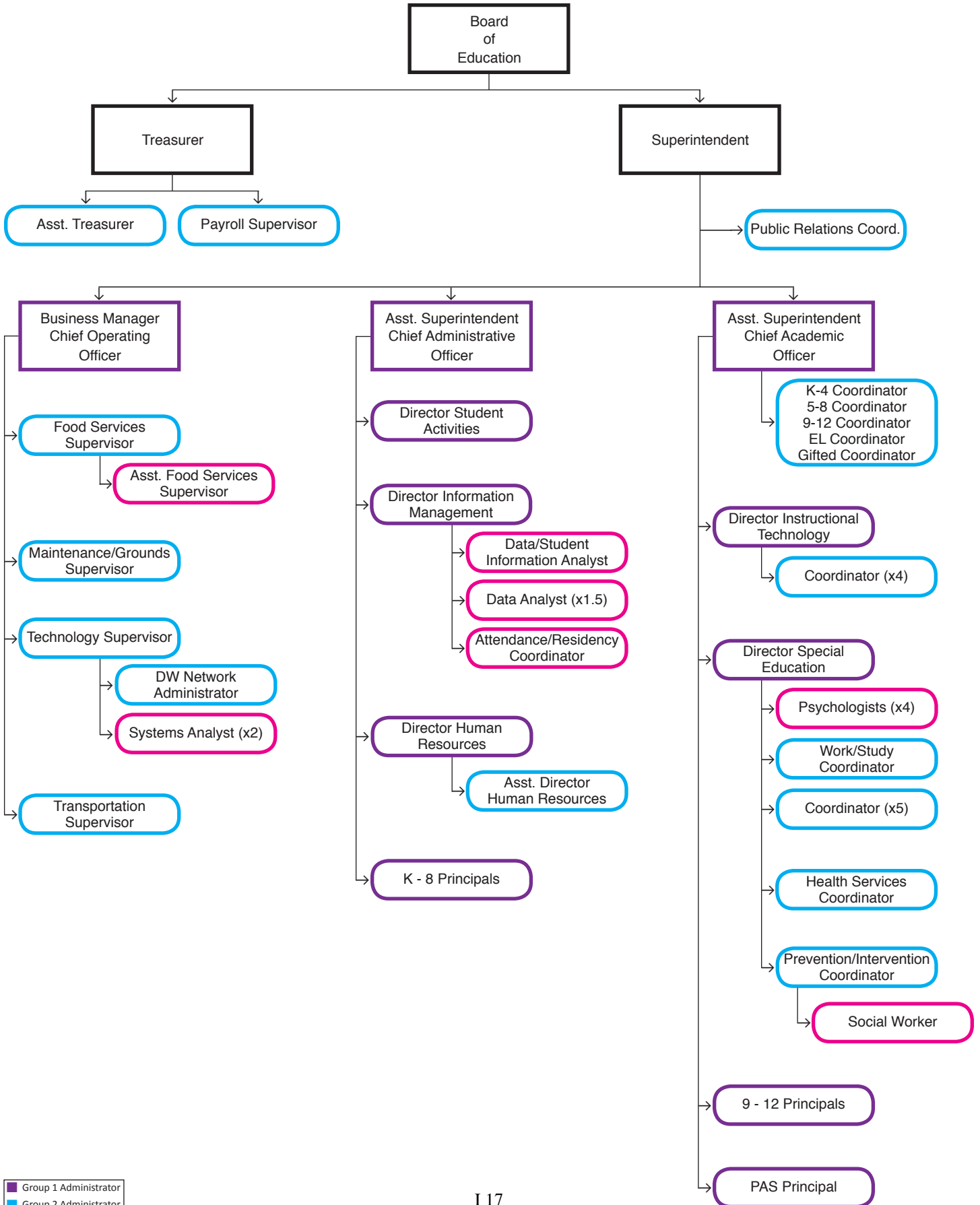
Dr. Chris Briggs
Ryan Jenkins

Administrative Staff

Assistant Superintendent, Student Services
Assistant Superintendent, Human Resources
Director of Human Resources
Director of Student Services
Executive Director of Teaching & Learning
Public Relations Director
Director of Instructional Technology
Director of Special Education
Assistant Treasurer
Business Manager
Principal, Pickerington High School North
Principal, Pickerington High School Central
Principal, Lakeview Junior High School
Principal, Ridgeview Junior High School
Principal, Diley Middle School
Principal, Toll Gate Middle School
Principal, Harmon Middle School
Principal, Fairfield Elementary School
Principal, Heritage Elementary School
Principal, Pickerington Elementary School
Principal, Tussing Elementary School
Principal, Violet Elementary School
Principal, Toll Gate Elementary School
Principal, Sycamore Creek Elementary School

Bob Blackburn
Zack Howard
Debra Porter-Sawyer
Mark Aprile
Sharon Caccimelio
Crystal Davis
Brian Seymour
Kristina Hulse
Keltah Houser-Siders
W. Vince Utterback
Mark Ulbrich
Stacy Tennenbaum
Pam Bertke
Eric Koch
Heather Hedgepeth
Kara Jackson
Jared Moore
Ruth Stickel
Chad Rice
Melissa Moriarty
Matt Dansby
Dee Copas
Kristi Motsch
Nikki Arnold

PICKERINGTON SCHOOLS
Organizational Chart



■ Group 1 Administrator
■ Group 2 Administrator
■ Group 3 Administrator



Government Finance Officers Association

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, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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Independent Auditor's Report

Pickerington Local School District
Fairfield County
90 N. East Street
Pickerington, Ohio 43147

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pickerington Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Pickerington Local School District, Fairfield County, Ohio, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 3 to the financial statements, in 2020, the Pickerington Local School District adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Pickerington Local School District. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions* listed in the table of contents, 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 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pickerington Local School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020, on our consideration of the Pickerington Local School 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 solely 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 effectiveness of the Pickerington Local School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pickerington Local School District's internal control over financial reporting and compliance.

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

Julian & Grube, Inc.
December 21, 2020

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

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, 2020. 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 2020 are as follows:

- Net position of governmental activities decreased \$9,234,102 which represents a 48.70% decrease from 2019's restated net position.
- General revenues accounted for \$124,726,172 in revenue or 85.38% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$21,365,633 or 14.62% for total revenues of \$146,091,805.
- The District had \$155,325,907 in expenses related to governmental activities; only \$21,365,633 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 \$124,726,172 were not adequate to provide for these programs.
- The District's major governmental funds include the general fund and district debt service fund. The general fund had \$124,350,410 in revenues and other financing sources and \$128,990,691 in expenditures and other financing uses. During fiscal year 2020, the general fund's balance decreased \$4,640,281 from a restated balance of \$36,520,974 to a balance of \$31,880,693.
- The district debt service fund had \$11,956,171 in revenues and \$12,267,021 in expenditures. The district debt service fund's balance decreased \$310,850 from \$13,174,040 to \$12,863,190.

Using the 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 position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the most significant funds are the general fund and district debt service 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, 2020
(UNAUDITED)

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and 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 position and statement of activities can be found on pages F 23 - F 24 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 14. 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 and the district debt service 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 position 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 25 - F 29 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance. The basic proprietary fund financial statements can be found on pages F 30 - F 32 of this report.

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in a custodial fund. All of the District's fiduciary activities are reported in a separate statement (statement of changes in fiduciary net position) on page F 33. 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 34 - F 85 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset. The required supplementary information can be found on pages F 88 - F 103 of this report.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2020 and June 30, 2019. The net position at June 30, 2019 has been restated as described in Note 3.B in the notes to the basic financial statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Net Position

	<u>Governmental Activities 2020</u>	<u>Restated Governmental Activities 2019</u>
<u>Assets</u>		
Current and other assets	\$ 123,110,312	\$ 125,319,691
Net OPEB asset	8,583,892	8,192,325
Capital assets, net	<u>134,529,929</u>	<u>139,194,128</u>
Total assets	<u>266,224,133</u>	<u>272,706,144</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges on debt refunding	3,421,058	3,767,206
Pension	30,142,281	41,047,973
OPEB	<u>3,225,215</u>	<u>2,713,093</u>
Total deferred outflows of resources	<u>36,788,554</u>	<u>47,528,272</u>
<u>Liabilities</u>		
Current liabilities	15,653,768	16,872,130
Long-term liabilities:		
Due within one year	10,544,599	10,850,412
Due in more than one year:		
Net pension liability	140,764,675	138,242,628
Net OPEB liability	11,320,829	12,848,954
Other amounts	<u>86,723,523</u>	<u>94,985,852</u>
Total liabilities	<u>265,007,394</u>	<u>273,799,976</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for the next fiscal year	44,413,454	42,514,063
Payments in lieu of taxes for the next fiscal year	379,580	283,877
Unamortized deferred gain on debt refunding	560,934	595,103
Pension	7,007,799	8,253,974
OPEB	<u>13,840,551</u>	<u>13,750,346</u>
Total deferred inflows of resources	<u>66,202,318</u>	<u>65,397,363</u>
<u>Net Position</u>		
Net investment in capital assets	48,166,989	48,396,228
Restricted	16,696,831	16,144,604
Unrestricted (deficit)	<u>(93,060,845)</u>	<u>(83,503,755)</u>
Total net position (deficit)	<u>\$ (28,197,025)</u>	<u>\$ (18,962,923)</u>

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2020 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

The table below provides a summary of the District's net position at June 30, 2020 and June 30, 2019 *without* the deferred inflows of resources related to pension and OPEB, the net pension liability, the net OPEB liability, the deferred outflows of resources related to pension and OPEB and net OPEB asset. The net position at June 30, 2019 has been restated as described in Note 3.B in the notes to the basic financial statements.

	Governmental Activities <u>2020</u>	Restated Governmental Activities <u>2019</u>
<u>Assets</u>		
Current and other assets	\$ 123,110,312	\$ 125,319,691
Capital assets, net	<u>134,529,929</u>	<u>139,194,128</u>
Total assets	<u>257,640,241</u>	<u>264,513,819</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges on debt refunding	<u>3,421,058</u>	<u>3,767,206</u>
<u>Liabilities</u>		
Current liabilities	15,653,768	16,872,130
Long-term liabilities:		
Due within one year	10,544,599	10,850,412
Due in more than one year	<u>86,723,523</u>	<u>94,985,852</u>
Total liabilities	<u>112,921,890</u>	<u>122,708,394</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for the next fiscal year	44,413,454	42,514,063
Payments in lieu of taxes for the next fiscal year	379,580	283,877
Unamortized deferred gain on debt refunding	<u>560,934</u>	<u>595,103</u>
Total deferred inflows of resources	<u>45,353,968</u>	<u>43,393,043</u>
<u>Net Position</u>		
Net investment in capital assets	48,166,989	48,396,228
Restricted	16,696,831	16,144,604
Unrestricted	<u>37,921,621</u>	<u>37,638,756</u>
Total net position	<u>\$ 102,785,441</u>	<u>\$ 102,179,588</u>

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2020, the District’s liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$28,197,025.

At fiscal year-end, capital assets represented 50.53% of total assets. Capital assets include land, construction in progress, land and improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2020 was \$48,166,989. 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 position, \$16,696,831, represents resources that are subject to external restriction on how they may be used. Unrestricted net position was a deficit of (\$93,060,845) primarily due to the application of GASB Statement No. 68 and GASB Statement No. 75, as described in Note 14 and Note 15, respectively.

The table below shows the change in net position for fiscal years 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.B in the notes to the basic financial statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Change in Net Position

	Governmental Activities <u>2020</u>	Restated Governmental Activities <u>2019</u>
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 5,919,122	\$ 6,328,780
Operating grants and contributions	15,290,239	14,026,216
Capital grants and contributions	156,272	94,836
General revenues:		
Property taxes	49,148,030	40,962,557
Payment in lieu of taxes	585,391	326,673
School district income taxes	18,329,653	18,944,744
Grants and entitlements not restricted	54,808,227	56,202,433
Investment earnings	1,746,880	1,983,158
Miscellaneous	<u>107,991</u>	<u>563,647</u>
Total revenues	<u>146,091,805</u>	<u>139,433,044</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	66,979,662	53,489,067
Special	22,781,914	18,136,323
Vocational	652,378	640,339
Other	4,255,868	3,479,087
Support services:		
Pupil	9,488,568	7,804,612
Instructional staff	6,671,881	5,725,467
Board of education	617,358	679,573
Administration	9,578,284	7,833,278
Fiscal	2,315,087	2,220,018
Business	482,230	577,125
Operations and maintenance	12,583,473	11,727,019
Pupil transportation	5,850,116	6,041,786
Central	1,417,976	1,174,548
Operation of non-instructional services:		
Food service operations	5,333,992	5,390,866
Other non-instructional services	61,253	80,777
Extracurricular activities	3,109,249	3,064,070
Interest and fiscal charges	<u>3,146,618</u>	<u>3,691,172</u>
Total expenses	<u>155,325,907</u>	<u>131,755,127</u>
Change in net position	(9,234,102)	7,677,917
Net position (deficit) at beginning of year (restated)	<u>(18,962,923)</u>	<u>(26,640,840)</u>
Net position (deficit) at end of year	<u>\$ (28,197,025)</u>	<u>\$ (18,962,923)</u>

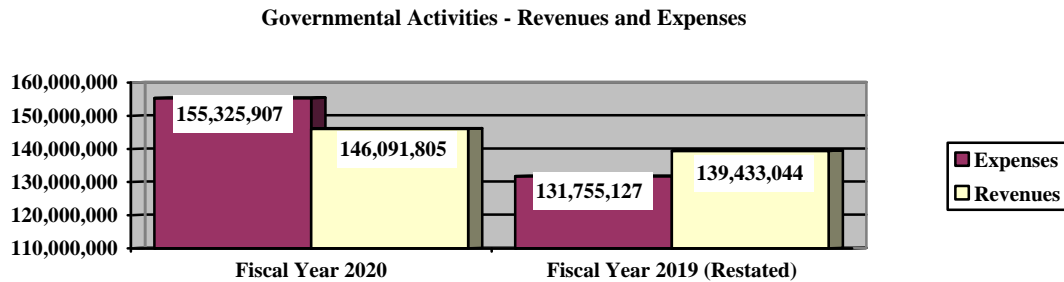
**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Net position of the District's governmental activities decreased \$9,234,102. Total governmental expenses of \$155,325,907 were offset by program revenues of \$21,365,633 and general revenues of \$124,726,172. Program revenues supported 13.76% of the total governmental expenses.

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 83.70% of total governmental revenue. Real estate property is reappraised every six years. The increase in property tax revenue for fiscal year 2020 was due to fluctuations in the amount of tax advance available from the Franklin County Auditor and the Fairfield County Auditor at fiscal year-end. The tax advance available for the fiscal years ended June 30, 2020, 2019, and 2018 were \$4,820,046, \$5,554,437, and \$13,703,327, respectively. The amount of tax advance available can vary depending upon when tax bills are sent out by County Auditors. The amount of tax advance available at fiscal year-end is reported as revenue in that fiscal year. Operating grants and contributions increased due to increased grant funding from the federal government. School district income tax revenue decreased due to the income tax deadline being extended by the State as a result of the COVID-19 pandemic.

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2020 and 2019 (restated).



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**

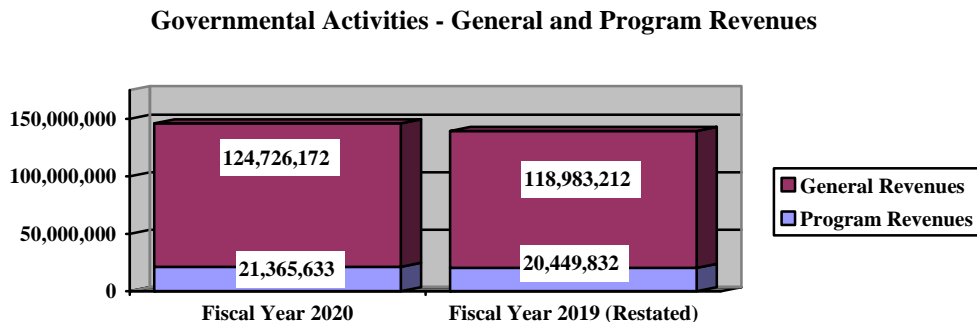
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Governmental Activities

	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Restated Total Cost of Services <u>2019</u>	Restated Net Cost of Services <u>2019</u>
Program expenses				
Instruction:				
Regular	\$ 66,979,662	\$ 65,295,840	\$ 53,489,067	\$ 52,174,202
Special	22,781,914	12,869,078	18,136,323	8,885,150
Vocational	652,378	72,850	640,339	61,964
Other	4,255,868	3,445,375	3,479,087	2,737,034
Support services:				
Pupil	9,488,568	8,673,212	7,804,612	7,543,339
Instructional staff	6,671,881	6,164,403	5,725,467	5,303,626
Board of education	617,358	617,358	679,573	679,573
Administration	9,578,284	9,482,381	7,833,278	7,744,709
Fiscal	2,315,087	2,314,619	2,220,018	2,220,018
Business	482,230	482,230	577,125	577,125
Operations and maintenance	12,583,473	11,973,401	11,727,019	11,318,570
Pupil transportation	5,850,116	5,364,134	6,041,786	5,657,555
Central	1,417,976	1,416,301	1,174,548	1,174,519
Operations of non-instructional services:				
Food service operations	5,333,992	697,328	5,390,866	140,034
Other non-instructional services	61,253	42,327	80,777	63,794
Extracurricular activities	3,109,249	1,902,819	3,064,070	1,332,911
Interest and fiscal charges	<u>3,146,618</u>	<u>3,146,618</u>	<u>3,691,172</u>	<u>3,691,172</u>
Total expenses	<u>\$ 155,325,907</u>	<u>\$ 133,960,274</u>	<u>\$ 131,755,127</u>	<u>\$ 111,305,295</u>

The dependence upon tax and other general revenues for governmental activities is apparent, as 86.28% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 86.24%. 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 2020 and 2019 (restated).



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

The District's Funds

The District's governmental funds reported a combined fund balance of \$50,934,314, which is less than last year's restated total of \$56,248,265. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and June 30, 2019.

	Fund Balance <u>June 30, 2020</u>	Restated Fund Balance <u>June 30, 2019</u>	Increase/ <u>(Decrease)</u>
General	\$ 31,880,693	\$ 36,520,974	\$ (4,640,281)
District debt service	12,863,190	13,174,040	(310,850)
Other governmental	<u>6,190,431</u>	<u>6,553,251</u>	<u>(362,820)</u>
Total	<u>\$ 50,934,314</u>	<u>\$ 56,248,265</u>	<u>\$ (5,313,951)</u>

General Fund

The following tables show the changes in revenues and expenditures in the general fund from 2020 and 2019.

	2020 <u>Amount</u>	Restated 2019 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 38,459,330	\$ 31,244,936	\$ 7,214,394	23.09 %
Income taxes	17,786,258	18,886,565	(1,100,307)	(5.83) %
Payment in lieu of taxes	455,682	246,292	209,390	85.02 %
Tuition	974,354	802,970	171,384	21.34 %
Earnings on investments	1,792,723	1,949,541	(156,818)	(8.04) %
Intergovernmental	61,493,689	62,762,207	(1,268,518)	(2.02) %
Other revenues	<u>1,737,170</u>	<u>2,248,521</u>	<u>(511,351)</u>	<u>(22.74) %</u>
Total	<u>\$ 122,699,206</u>	<u>\$ 118,141,032</u>	<u>\$ 4,558,174</u>	3.86 %

	2020 <u>Amount</u>	Restated 2019 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 79,566,346	\$ 75,938,751	\$ 3,627,595	4.78 %
Support services	43,418,749	43,611,167	(192,418)	(0.44) %
Operation of non-instructional services	41,019	64,775	(23,756)	(36.67) %
Extracurricular activities	1,930,406	2,174,680	(244,274)	(11.23) %
Facilities acquisition and construction	101,308	901	100,407	11,143.95 %
Capital outlay	1,638,763	-	1,638,763	100.00 %
Debt service	<u>1,042,291</u>	<u>733,021</u>	<u>309,270</u>	42.19 %
Total	<u>\$ 127,738,882</u>	<u>\$ 122,523,295</u>	<u>\$ 5,215,587</u>	4.26 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Overall revenues of the general fund increased \$4,558,174 or 3.86%. Property taxes increased \$7,214,394 or 23.09%. Actual property tax cash receipts increased \$1,499,670 or 4.01% from fiscal year 2019. The increase is due to fluctuations in the amount of tax advance available from the Franklin County Auditor and the Fairfield County Auditor at fiscal year-end. The tax advance available for the fiscal years ended June 30, 2020, 2019, and 2018 were \$4,820,046, \$5,554,437, and \$13,703,327, respectively. The amount of tax advance available can vary depending upon when tax bills are sent out by County Auditors. The amount of tax advance available at fiscal year-end is reported as revenue in that fiscal year. Income tax revenue decreased \$1,100,307 or 5.83% due to the income tax deadline being extended by the State as a result of the COVID-19 pandemic. Tuition increased \$171,384 or 21.34% due to an increase in open enrollment in the current fiscal year. Payment in lieu of taxes increased \$209,390 or 85.02% due to the District receiving additional settlement amounts that were not received in prior fiscal years. All other revenues remaining comparable to the prior fiscal year.

Expenditures of the general fund increased \$5,215,587 or 4.26%. Capital outlay increased \$1,638,763 or 100.00% due to the District entering into lease-purchase agreements and a capital lease transaction in the current fiscal year. Facilities acquisition and construction increased \$100,407 or 11,143.95% due to the District expending more capital related expenditures out of the general fund in the current fiscal year. All other expenditures remained comparable to the prior fiscal year.

District Debt Service Fund

The district debt service fund balance decreased \$310,850. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 10,589,167	\$ 9,352,289	\$ 1,236,878	13.23 %
Intergovernmental	<u>1,367,004</u>	<u>1,416,697</u>	<u>(49,693)</u>	(3.51) %
Total	<u>\$ 11,956,171</u>	<u>\$ 10,768,986</u>	<u>\$ 1,187,185</u>	11.02 %
<u>Expenditures</u>				
Support services	\$ 176,140	\$ 189,904	\$ (13,764)	(7.25) %
Debt service	<u>12,090,881</u>	<u>12,059,950</u>	<u>30,931</u>	0.26 %
Total	<u>\$ 12,267,021</u>	<u>\$ 12,249,854</u>	<u>\$ 17,167</u>	0.14 %

This decrease in fund balance was due to total revenues in the current fiscal year not exceeding total expenditures.

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.

For the general fund, final budgeted revenues were \$126,589,328, which was a \$1,385,399 increase from original budgeted revenues of \$125,203,929. Actual revenues and other financing sources for fiscal year 2020 were \$122,679,808. This represents a \$3,909,520 decrease over final budgeted revenues. The primary reason for actual revenues coming in less than original and final budgeted revenues is due to the reduction in State foundation funding, due to budget cuts, caused by the COVID-19 pandemic. Income tax revenues also decreased due to the income tax deadline being extended by the State as a result of the COVID-19 pandemic. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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General fund original appropriations and other financing uses totaled \$131,880,576. The final appropriations and other financing uses totaled \$131,874,406, which was a decrease of \$6,170 from original appropriations and other financing uses. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$128,445,964, which was \$3,428,442 less than the final budget appropriations and other financing uses. This positive variance is due to a tight control over expenditures and the District's operations and maintenance, pupil transportation, pupil and regular expenditures being lower than anticipated. The decrease in these expenditures was primarily the result of salaries and fringe benefits and contract services proving to be lower than anticipated.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2020, the District had \$134,529,929 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2020 balances compared to June 30, 2019.

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

	Governmental Activities	
	2020	2019
Land	\$ 9,185,480	\$ 9,185,480
Construction-in-progress	733,520	651,534
Land improvements	7,715,230	7,287,358
Building and improvements	113,145,294	119,225,349
Furniture and equipment	2,711,073	1,853,267
Vehicles	1,039,332	991,140
Total	\$ 134,529,929	\$ 139,194,128

The overall decrease in capital assets, net of depreciation, of \$4,664,199 is due to depreciation expense of \$7,699,793 which exceed capital additions of \$3,035,594 for fiscal year 2020.

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

Debt Administration

At June 30, 2020, the District had \$83,580,000 in general obligation bonds, \$1,245,463 in lease-purchase agreements, and \$1,169,427 in capital lease obligations. Of this amount, \$9,552,677 is due within one year and \$76,442,213 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 buildings, 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 district debt service fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Outstanding Debt, at Year End

	<u>Governmental Activities 2020</u>	<u>Governmental Activities 2019</u>
General obligation bonds	\$ 83,580,000	\$ 92,544,966
Lease-purchase agreements	1,245,463	1,196,805
Capital lease obligations	<u>1,169,427</u>	<u>546,166</u>
Total	<u>\$ 85,994,890</u>	<u>\$ 94,287,937</u>

See Note 11 to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

Representing 46.4% of general fund revenue, Unrestricted Grants in Aid (a.k.a. State Foundation) is the most critical piece of funding for the District. This is also the piece of the funding that is directly tied to the biennial budget.

State aid revenue has been the most dramatically impacted by COVID-19. The forecast already includes a 3.20% cut to state aid enacted in May of 2020. On top of that, it assumes a 5% cut in state aid in fiscal year 2021; and flat-funding for fiscal years 2022 and 2023 (that is, total state funding in FY22 and FY23 equaling the amounts received in FY21 [\$58,274,440] for base aid + special ed transportation + pre-school funding + Student Wellness Funding + Growing District Aid funding).

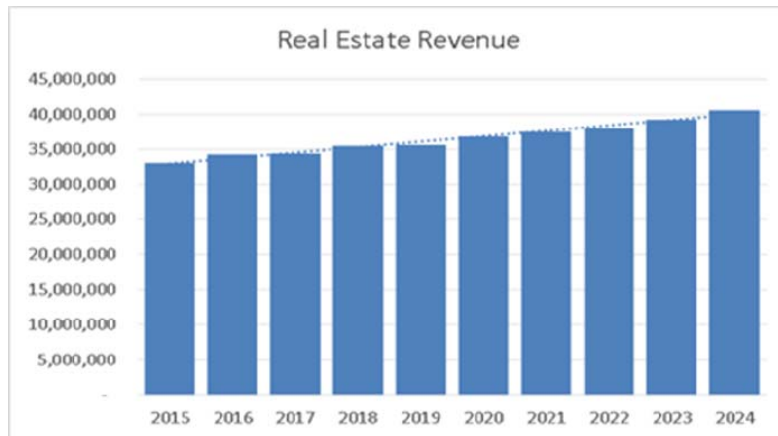
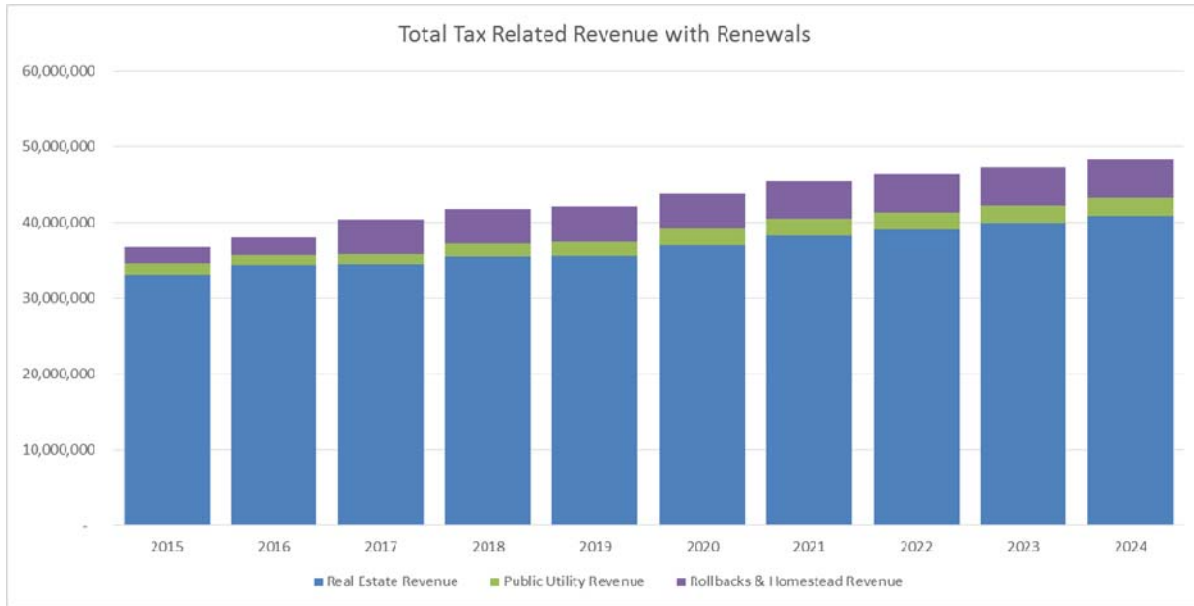
Based on funding levels that were being forecasted in the Spring of 2019, the losses in Unrestricted State Aid are the most significant the District is experiencing. The chart below shows that from FY20 to FY24, the new funding formula, combined with losses from the COVID-19 crisis, are forecasted to remove about \$23.3MM forecasted to the District's coffers:

	2020 Capped Calcs.	2021 Capped Calcs.	2022 Capped Calcs.	2023 Capped Calcs.	2024 Capped Calcs.	Grand Total Loss in State Aid
Growth Cap	1.03	1.03	1.03	1.03	1.03	
Total Formula Funding (Line N) forecasted from HB49	\$57,448,262.04	\$59,151,352.43	\$60,929,479.52	\$62,716,557.33	\$64,598,054.05	
HB 166 Funding Levels (**HB 166 affects FY22 and FY23 calculations due to the cap effects)	\$55,788,688.00	\$55,788,688.38	\$55,788,688.38	\$55,788,688.38	\$55,788,688.38	
Wellness and Success Funds	\$479,083.00	\$679,346.00	\$0.00	\$0.00	\$0.00	
Growth Cap Funds	\$318,880.26	\$486,406.00	\$0.00	\$0.00	\$0.00	
Other State Funds (Spec Ed Transport, Casino, Preschool)	\$1,901,205.00	\$1,603,908.00	\$1,750,086.00	\$1,899,081.00	\$1,909,714.00	
Adjustments to Funding	-\$1,725,378.00	-\$2,900,000.00	\$1,165,752.00	\$1,165,752.00	\$2,886,311.17	
Calculated Loss in Funding	\$2,586,988.78	\$5,096,912.05	\$3,975,039.14	\$5,762,116.95	\$5,923,054.50	\$23,344,111.41

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Our real estate tax related revenue across all classes of property (residential/agricultural, commercial/industrial, and Homestead/Rollbacks) for the next five fiscal years is as follows:



The District also completed negotiations with its certified union, the Pickerington Education Association (PEA) in the Summer of 2018. The District will re-negotiate with the PEA in the Spring on 2021.

The District's classified union, the Pickerington Support Staff Association (PSSA), successfully completed negotiations for its latest contact with the District Management in July of 2020.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The District has agreed to the following wage increases with each bargaining unit:

- Pickerington Education Association, three (3) year contract—2018-2019, 2.50% base increase; 2019-2020, 2.00% base increase; 2020-2021, 2.00% base increase.
- Pickerington Support Staff Association, three (3) year contract, with salary increases of 1.25% for 2020-2021 only at this time; the District and the PSSA will negotiate financial details for the 2021-2022 and 2022-2023 school years in the Spring of 2021.

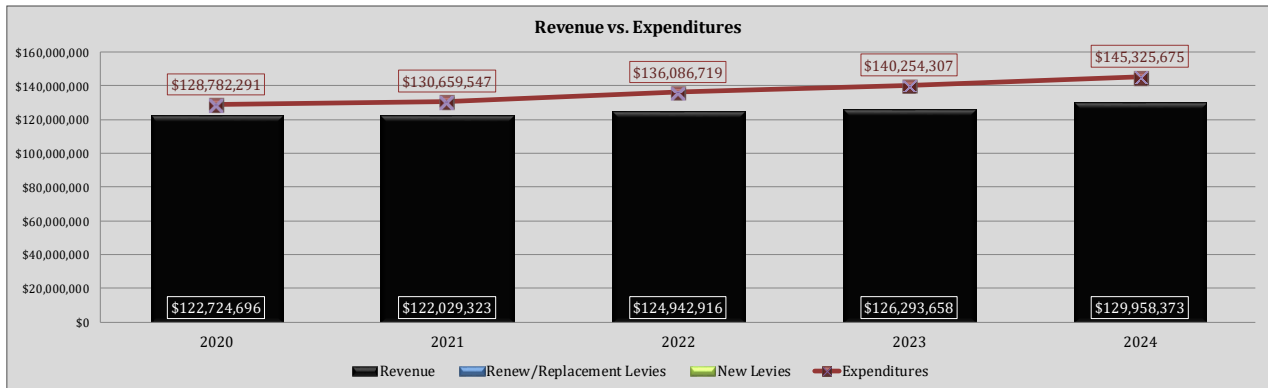
Forecasted General Fund Revenues, Expenses and Cash Balances:

The following graphic summarizes the challenges the District faces over the next five (5) fiscal years as its revenues are forecasted to fall below its expenses. Our carryover cash balances are forecasted to drop in each of the next five (5) fiscal years accordingly.

Income and Expense Simplified Statement - Projected Fiscal Years

Pickerington Local School District

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Beginning Balance	35,310,200	29,252,605	20,622,382	9,478,578	(4,482,070)
+ Revenue	122,724,696	122,029,323	124,942,916	126,293,658	129,958,373
+ Proposed Renew/Replacement Levies	-	-	-	-	-
+ Proposed New Levies	-	-	-	-	-
- Expenditures	(128,782,291)	(130,659,547)	(136,086,719)	(140,254,307)	(145,325,675)
= Revenue Surplus or Deficit	(6,057,595)	(8,630,224)	(11,143,803)	(13,960,649)	(15,367,302)
Ending Balance	29,252,605	20,622,381	9,478,579	(4,482,071)	(19,849,372)
Revenue Surplus or Deficit w/o Levies	(6,057,595)	(8,630,224)	(11,143,803)	(13,960,649)	(15,367,302)
Ending Balance w/o Levies	29,252,605	20,622,382	9,478,578	(4,482,070)	(19,849,372)



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Additional Information

Over the past 10-12 years, District voters have also been very supportive of the District's operational and capital needs. The following levy history provides the reader with insight into how that support has manifested itself at the ballot box:

- 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, 2008, 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.
- 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.

However, on May 2, 2017, District voters did not approve a Permanent Improvement levy that sought to add 3.00 mills for a continuing period of time to fund ongoing capital projects in the District.

Additionally, on November 3, 2020, District voters defeated a proposed 2.90 mill bond issue that would have raised \$95 million in proceeds to construct a new junior high; add 24 classrooms to Pickerington Central, and 18 classrooms to Pickerington North; renovate Ridgeview Junior High School into a combined K-4 elementary school and 5-6 middle school; renovate Heritage Elementary School into a Pre-School learning Center; and would have allowed for miscellaneous classroom upgrades and appurtenances. The issue was defeated by about 2,000 votes in the midst of the Coronavirus Pandemic.

Finally, the Board believes that maintaining a general fund cash balance is necessary in the interest of sound fiscal management. The Board uses the following criteria in determining the level of general fund cash balance:

- The predictability of its revenues and the volatility of its expenditures
- The Board's perceived exposure to significant one-time outlays
- The availability of resources in other funds
- The liquidity of the general fund
- The Board's assigned and committed fund balances.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

In all cases, the Board has designated, by formal policy, a cash balance that is not less than 45 days of normal operating expenses.

The District's leadership has proactively managed costs by enacting staffing and budget reductions; effectively managed the negotiations process; and has formally adopted a cash balance policy to initiate 'triggers' that provide an objective basis for defining financial stability. While District leadership will continue these efforts, it must be noted that the upcoming operational challenges are notable, and may require efforts beyond just controlling *costs*. Said differently, the residents of the District have historically shown support on the revenue side as well via the passage of new operational levies to increase revenue. Notably, the voters of the District last passed an operations levy in August of 2011. The most recent five year forecast shows that the District will have exhausted its cash reserves by the end of the 2022-2023 school year--*more than ten years removed from the last operational levy*, a commendable testament to the fiscal responsibility and foresight implemented by District leadership. Nonetheless, the challenge of trying to pass both a bond issue in May of 2021, and presumably an operations levy within a couple of years of that bond issue, will be challenging. Yet the answers to these questions will also be very impactful in determining the financial stability of the District, and in how well we are able to provide the needed facilities to meet anticipated student population growth. These will be critical issues for the District for fiscal year 2021 and beyond.

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 Ryan Jenkins, Treasurer of Pickerington Local School District at 90 East Street, Pickerington, Ohio 43147 or email him at ryan_jenkins@plsd.us.

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

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 63,726,345
Cash with fiscal agent	21,881
Cash in segregated accounts	114,669
Receivables:	
Property taxes	50,211,228
Income taxes	6,971,129
Payment in lieu of taxes	379,580
Accounts	291,352
Accrued interest	104,122
Intergovernmental	1,146,453
Prepayments	48,435
Materials and supplies inventory	16,332
Inventory held for resale	78,786
Net OPEB asset	8,583,892
Capital assets:	
Nondepreciable capital assets	9,919,000
Depreciable capital assets, net	124,610,929
Capital assets, net	134,529,929
Total assets	266,224,133
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	3,421,058
Pension (Note 14)	30,142,281
OPEB (Note 15)	3,225,215
Total deferred outflows of resources	36,788,554
Liabilities:	
Accounts payable	119,810
Contracts payable	344,518
Retainage payable	114,669
Accrued wages and benefits payable	11,450,717
Pension and postemployment obligation	1,989,206
Intergovernmental payable	361,731
Accrued interest payable	224,336
Claims payable	1,026,900
Matured bonds payable	20,000
Matured interest payable	1,881
Long-term liabilities:	
Due within one year	10,544,599
Due in more than one year:	
Net pension liability (Note 14)	140,764,675
Net OPEB liability (Note 15)	11,320,829
Other amounts due in more than one year	86,723,523
Total liabilities	265,007,394
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	44,413,454
Payment in lieu of taxes levied for the next fiscal year	379,580
Unamortized deferred gain on debt refunding	560,934
Pension (Note 14)	7,007,799
OPEB (Note 15)	13,840,551
Total deferred inflows of resources	66,202,318
Net position:	
Net investment in capital assets	48,166,989
Restricted for:	
Capital projects	114,669
Classroom facilities maintenance	1,144,838
Debt service	12,836,888
State funded programs	24,860
Federally funded programs	99,627
Student activities	652,872
Food service operations	1,400,077
Other purposes	423,000
Unrestricted (deficit)	(93,060,845)
Total net position (deficit)	\$ (28,197,025)

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, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular	\$ 66,979,662	\$ 1,479,876	\$ 203,946	\$ -	\$ (65,295,840)
Special	22,781,914	411,885	9,500,951	-	(12,869,078)
Vocational	652,378	-	579,528	-	(72,850)
Other	4,255,868	-	810,493	-	(3,445,375)
Support services:					
Pupil.	9,488,568	-	815,356	-	(8,673,212)
Instructional staff	6,671,881	63,075	444,403	-	(6,164,403)
Board of education	617,358	-	-	-	(617,358)
Administration.	9,578,284	608	95,295	-	(9,482,381)
Fiscal.	2,315,087	468	-	-	(2,314,619)
Business.	482,230	-	-	-	(482,230)
Operations and maintenance	12,583,473	438,968	14,832	156,272	(11,973,401)
Pupil transportation.	5,850,116	-	485,982	-	(5,364,134)
Central	1,417,976	-	1,675	-	(1,416,301)
Operation of non-instructional services:					
Food service operations	5,333,992	2,420,305	2,216,359	-	(697,328)
Other non-instructional services	61,253	3,948	14,978	-	(42,327)
Extracurricular activities.	3,109,249	1,099,989	106,441	-	(1,902,819)
Interest and fiscal charges	3,146,618	-	-	-	(3,146,618)
Total governmental activities	\$ 155,325,907	\$ 5,919,122	\$ 15,290,239	\$ 156,272	(133,960,274)
General revenues:					
Property taxes levied for:					
General purposes					38,328,520
Debt service.					10,399,798
Facility maintenance.					419,712
Payments in lieu of taxes.					585,391
Income taxes levied for:					
General purposes					18,329,653
Grants and entitlements not restricted to specific programs					
					54,808,227
Investment earnings					1,746,880
Miscellaneous					107,991
Total general revenues					124,726,172
Change in net position					(9,234,102)
Net position (deficit) at beginning of year (restated).					(18,962,923)
Net position (deficit) at end of year					\$ (28,197,025)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 35,435,018	\$ 11,849,420	\$ 6,793,421	\$ 54,077,859
Cash with fiscal agent	-	21,881	-	21,881
Cash in segregated accounts	-	-	114,669	114,669
Receivables:				
Property taxes	39,611,323	10,170,034	429,871	50,211,228
Income taxes	6,971,129	-	-	6,971,129
Payment in lieu of taxes	299,610	76,554	3,416	379,580
Accounts	289,935	-	1,417	291,352
Accrued interest	104,122	-	-	104,122
Intergovernmental	172,627	-	973,826	1,146,453
Prepayments	48,435	-	-	48,435
Materials and supplies inventory	-	-	16,332	16,332
Inventory held for resale	-	-	78,786	78,786
Due from other funds	326,901	-	-	326,901
Total assets	<u>\$ 83,259,100</u>	<u>\$ 22,117,889</u>	<u>\$ 8,411,738</u>	<u>\$ 113,788,727</u>
Liabilities:				
Accounts payable	\$ 72,930	\$ -	\$ 46,880	\$ 119,810
Contracts payable	-	-	344,518	344,518
Retainage payable	-	-	114,669	114,669
Accrued wages and benefits payable	10,787,940	-	662,777	11,450,717
Compensated absences payable	133,430	-	-	133,430
Intergovernmental payable	352,503	-	9,228	361,731
Pension and postemployment obligation	1,876,227	-	112,979	1,989,206
Due to other funds	-	-	326,901	326,901
Matured bonds payable	-	20,000	-	20,000
Matured interest payable	-	1,881	-	1,881
Total liabilities	<u>13,223,030</u>	<u>21,881</u>	<u>1,617,952</u>	<u>14,862,863</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	35,075,280	8,958,230	379,944	44,413,454
Payment in lieu of taxes levied for the next fiscal year	299,610	76,554	3,416	379,580
Delinquent property tax revenue not available	771,323	198,034	8,371	977,728
Income tax revenue not available	1,902,601	-	-	1,902,601
Intergovernmental revenue not available	32,974	-	211,624	244,598
Interest revenue not available	73,589	-	-	73,589
Total deferred inflows of resources	<u>38,155,377</u>	<u>9,232,818</u>	<u>603,355</u>	<u>47,991,550</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	16,332	16,332
Prepays	48,435	-	-	48,435
Unclaimed monies	19,465	-	-	19,465
Restricted:				
Debt service	-	12,863,190	-	12,863,190
Classroom facilities maintenance	-	-	1,136,467	1,136,467
Food service operations	-	-	1,815,382	1,815,382
Other purposes	-	-	108,579	108,579
Extracurricular	-	-	652,872	652,872
Committed:				
Capital improvements	-	-	2,658,962	2,658,962
Termination benefits	2,472,239	-	-	2,472,239
Other purposes	34,229	-	-	34,229
Assigned:				
Student instruction	312,246	-	-	312,246
Student and staff support	1,621,511	-	-	1,621,511
Extracurricular activities	20,687	-	-	20,687
Facilities acquisition and construction	427,729	-	-	427,729
Subsequent year's appropriations	10,036,778	-	-	10,036,778
Public school support	223,342	-	-	223,342
Other purposes	493,026	-	-	493,026
Unassigned (deficit)	16,171,006	-	(198,163)	15,972,843
Total fund balances	<u>31,880,693</u>	<u>12,863,190</u>	<u>6,190,431</u>	<u>50,934,314</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 83,259,100</u>	<u>\$ 22,117,889</u>	<u>\$ 8,411,738</u>	<u>\$ 113,788,727</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

Total governmental fund balances		\$ 50,934,314
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		134,529,929
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 977,728	
Income taxes receivable	1,902,601	
Accrued interest receivable	73,589	
Intergovernmental receivable	244,598	
Total		3,198,516
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		8,621,586
Unamortized premiums on refunding bonds issued are not recognized in the funds.		(3,568,648)
Unamortized amounts on refundings are not recognized in the funds.		2,860,124
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(224,336)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - pension	30,142,281	
Deferred inflows of resources - pension	(7,007,799)	
Net pension liability	(140,764,675)	
Total		(117,630,193)
The net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources - OPEB	3,225,215	
Deferred inflows of resources - OPEB	(13,840,551)	
Net OPEB asset	8,583,892	
Net OPEB liability	(11,320,829)	
Total		(13,352,273)
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	(83,580,000)	
Lease purchase agreements	(1,245,463)	
Capital lease obligations	(1,169,427)	
Compensated absences	(7,571,154)	
Total		(93,566,044)
Net position (deficit) of governmental activities		\$ (28,197,025)

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, 2020

	<u>General</u>	<u>District Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Property taxes	\$ 38,459,330	\$ 10,471,175	\$ 421,383	\$ 49,351,888
Income taxes	17,786,258	-	-	17,786,258
Payment in lieu of taxes	455,682	117,992	11,717	585,391
Tuition	974,354	-	-	974,354
Earnings on investments	1,792,723	-	28,164	1,820,887
Charges for services	-	-	2,422,146	2,422,146
Extracurricular	459,174	-	675,366	1,134,540
Classroom materials and fees	843,766	-	-	843,766
Rental income	227,316	-	303,456	530,772
Contributions and donations	29,246	-	101,495	130,741
Contract services	13,544	-	-	13,544
Other local revenues	164,124	-	181,895	346,019
Intergovernmental - state	61,148,466	1,367,004	838,799	63,354,269
Intergovernmental - federal	345,223	-	5,921,060	6,266,283
Total revenues	<u>122,699,206</u>	<u>11,956,171</u>	<u>10,905,481</u>	<u>145,560,858</u>
Expenditures:				
Current:				
Instruction:				
Regular	56,604,105	-	224,869	56,828,974
Special	19,038,730	-	2,131,124	21,169,854
Vocational	638,141	-	-	638,141
Other	3,285,370	-	820,676	4,106,046
Support services:				
Pupil	7,940,240	-	837,577	8,777,817
Instructional staff	5,529,480	-	476,277	6,005,757
Board of education	615,711	-	-	615,711
Administration	8,901,687	-	94,852	8,996,539
Fiscal	2,069,531	176,140	7,309	2,252,980
Business	460,159	-	-	460,159
Operations and maintenance	10,679,653	-	989,201	11,668,854
Pupil transportation	5,917,403	-	11,523	5,928,926
Central	1,304,885	-	1,317	1,306,202
Operation of non-instructional services:				
Food service operations	-	-	4,663,913	4,663,913
Other non-instructional services	41,019	-	19,285	60,304
Extracurricular activities	1,930,406	-	824,708	2,755,114
Facilities acquisition and construction	101,308	-	1,405,038	1,506,346
Capital outlay	1,638,763	-	-	1,638,763
Debt service:				
Principal retirement	966,844	5,172,964	-	6,139,808
Interest and fiscal charges	75,447	2,870,881	-	2,946,328
Accretion on capital appreciation bonds	-	4,047,036	-	4,047,036
Total expenditures	<u>127,738,882</u>	<u>12,267,021</u>	<u>12,507,669</u>	<u>152,513,572</u>
Excess of expenditures over revenues	<u>(5,039,676)</u>	<u>(310,850)</u>	<u>(1,602,188)</u>	<u>(6,952,714)</u>
Other financing sources (uses):				
Transfers in	12,441	-	1,251,809	1,264,250
Transfers (out)	(1,251,809)	-	(12,441)	(1,264,250)
Capital lease transaction	960,433	-	-	960,433
Lease purchase transaction	678,330	-	-	678,330
Total other financing sources (uses)	<u>399,395</u>	<u>-</u>	<u>1,239,368</u>	<u>1,638,763</u>
Net change in fund balances	(4,640,281)	(310,850)	(362,820)	(5,313,951)
Fund balances at beginning of year (restated)	36,520,974	13,174,040	6,553,251	56,248,265
Fund balances at end of year	<u>\$ 31,880,693</u>	<u>\$ 12,863,190</u>	<u>\$ 6,190,431</u>	<u>\$ 50,934,314</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, 2020

Net change in fund balances - total governmental funds	\$	(5,313,951)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 3,035,594	
Current year depreciation	(7,699,793)	
Total		(4,664,199)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(203,858)	
Income taxes	543,395	
Earnings on investments	(45,843)	
Intergovernmental	241,412	
Total		535,106
Repayment of bond, capital lease, and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	3,625,000	
Capital appreciation bonds	1,547,964	
Accreted interest on capital appreciation bonds	4,047,036	
Lease purchase agreements	629,672	
Capital leases	337,172	
Total		10,186,844
Issuances of lease purchase and capital lease transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
Lease purchase agreements	(678,330)	
Capital lease	(960,433)	
Total		(1,638,763)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		11,187,135
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(23,368,699)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		310,468
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as pension expense in the statement of activities.		
		2,031,141
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	6,276	
Accreted interest on capital appreciation bonds	(255,034)	
Amortization of bond premiums	360,447	
Amortization of deferred charges	(311,979)	
Total		(200,290)
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 the governmental funds.		
		28,256
Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		
		1,672,850
Change in net position of governmental activities	\$	(9,234,102)

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 38,449,115	\$ 39,249,115	\$ 38,923,163	\$ (325,952)
Income taxes	19,955,355	19,955,355	19,485,812	(469,543)
Payment in lieu of taxes	248,000	248,000	455,682	207,682
Tuition	803,000	803,000	971,431	168,431
Earnings on investments	716,746	1,256,746	1,451,097	194,351
Contract services	10,500	10,500	14,808	4,308
Other local revenues	21,000	21,000	10,305	(10,695)
Intergovernmental - state	64,550,213	64,595,612	61,142,864	(3,452,748)
Intergovernmental - federal	450,000	450,000	208,720	(241,280)
Total revenues	125,203,929	126,589,328	122,663,882	(3,925,446)
Expenditures:				
Current:				
Instruction:				
Regular	57,484,801	57,208,498	56,398,317	810,181
Special	19,274,241	19,175,226	19,099,208	76,018
Vocational	694,489	694,531	722,011	(27,480)
Other	2,972,903	2,972,924	3,117,108	(144,184)
Support services:				
Pupil	8,545,544	8,690,184	8,042,932	647,252
Instructional staff	5,531,318	5,641,579	5,536,586	104,993
Board of education	918,451	881,333	769,015	112,318
Administration	8,920,399	8,937,353	8,943,096	(5,743)
Fiscal	2,276,747	2,166,806	2,148,763	18,043
Business	963,593	963,593	936,095	27,498
Operations and maintenance	12,780,265	12,824,610	11,489,098	1,335,512
Pupil transportation	7,448,853	7,412,779	6,223,063	1,189,716
Central	1,387,359	1,399,359	1,334,376	64,983
Operation non-instructional services	-	-	97	(97)
Extracurricular activities	1,300,414	1,315,174	1,417,485	(102,311)
Facilities acquisition and construction	111,199	113,199	529,015	(415,816)
Total expenditures	130,610,576	130,397,148	126,706,265	3,690,883
Excess of expenditures over revenues	(5,406,647)	(3,807,820)	(4,042,383)	(234,563)
Other financing sources (uses):				
Refund of prior year's expenditures	-	-	3,476	3,476
Transfers in	-	-	12,441	12,441
Transfers (out)	(1,270,000)	(1,270,000)	(1,532,441)	(262,441)
Advances (out)	-	(207,258)	(207,258)	-
Sale of assets	-	-	9	9
Total other financing sources (uses)	(1,270,000)	(1,477,258)	(1,723,773)	(246,515)
Net change in fund balance	(6,676,647)	(5,285,078)	(5,766,156)	(481,078)
Unencumbered fund balance at beginning of year.	32,057,399	32,057,399	32,057,399	-
Prior year encumbrances appropriated	3,252,801	3,252,801	3,252,801	-
Unencumbered fund balance at end of year.	\$ 28,633,553	\$ 30,025,122	\$ 29,544,044	\$ (481,078)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>
Assets:	
Current:	
Equity in pooled cash and investments . . .	\$ 9,648,486
Total assets.	<u>9,648,486</u>
Liabilities:	
Current:	
Claims payable	<u>1,026,900</u>
Total liabilities	<u>1,026,900</u>
Net position:	
Unrestricted.	<u>8,621,586</u>
Total net position.	<u><u>\$ 8,621,586</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 17,721,390
Total operating revenues	17,721,390
Operating expenses:	
Purchased services	14,042
Claims	16,057,203
Total operating expenses.	16,071,245
Operating income	1,650,145
Nonoperating revenues:	
Refunds and reimbursements	22,705
Total nonoperating revenues.	22,705
Change in net position	1,672,850
Net position at beginning of year.	6,948,736
Net position at end of year	\$ 8,621,586

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 17,721,390
Cash payments for contractual services	(14,317)
Cash payments for claims	<u>(16,613,628)</u>
Net cash provided by operating activities	<u>1,093,445</u>
Cash flows from noncapital financing activities:	
Cash received from refunds and reimbursements	<u>22,705</u>
Net cash provided by noncapital financing activities.	<u>22,705</u>
Net increase in cash and cash equivalents	1,116,150
Cash and investments at beginning of year	8,532,336
Cash and investments at end of year.	<u>\$ 9,648,486</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 1,650,145
Changes in assets and liabilities:	
Decrease in prepayments.	9,875
(Decrease) in accounts payable.	(275)
(Decrease) in claims payable	<u>(566,300)</u>
Net cash provided by operating activities.	<u>\$ 1,093,445</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Custodial
Additions:	
Extracurricular collections for OHSAA	\$ 44,338
Total additions.	44,338
Deductions:	
Extracurricular distributions to OHSAA	51,075
Total deductions	51,075
Change in net position	(6,737)
Net position at beginning of year (restated)	6,737
Net position at end of year	\$ -

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, 2020**

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 408 non-certified, 741 certified and 88 administrative employees to provide services to approximately 10,530 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’s significant accounting policies are described below.

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. Financial information can be obtained from the Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

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 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, 2020

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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.

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 where the determination of net income is necessary or useful to sound financial administration.

The following is the District's proprietary fund type:

Internal service funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments, on a cost-reimbursement basis. The internal service funds of the District account for a self-insurance program which provides medical, dental and prescription drug benefits to employees and a worker's compensation fund used to account for monies received from other funds as payment for providing worker's compensation benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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 does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for funds collected and distributed on behalf of OHSAA.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

C. Basis of Presentation and Measurement Focus

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

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, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

The fiduciary funds are reported using the economic resources measurement focus. All assets and liabilities associated with the operation of fiduciary funds are included on the statement of net fiduciary position. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources.

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, payment in lieu of taxes 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 19). 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Notes 14 and 15 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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, 2020

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 custodial 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 July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as 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, 2020**

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, excluding the internal service fund, 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 investments" on the financial statements.

During fiscal year 2020, investments were limited to negotiable certificates of deposits (negotiable CDs), commercial paper, U.S. government money market mutual fund, Federal Home Loan Bank (FHLB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) Securities, Federal National Mortgage Association (FNMA) Securities, Federal Farm Credit Bank (FFCB) Securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

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

For fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund 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 2020 amounted to \$1,792,723, which includes \$439,552 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost, inventories held of resale are reported 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.

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.

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 position, 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 acquisition values as of the date received. During fiscal year 2020, 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 and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 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 "due to/from other funds". These amounts are eliminated in the governmental activities column on the statement of net position.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

J. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

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

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner 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, capital lease obligations, and lease-purchase obligations are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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 in the general fund.

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 amounts include all remaining amounts that are not classified as nonspendable and are neither restricted nor 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

N. Net Position

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

R. 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.

S. Fair Value Measurements

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

T. 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 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds. The District reviewed its private purpose trust and agency funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements (see Note 3.B for detail).

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

B. Restatement of Net Position and Fund Balances

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at June 30, 2019:

	General	District Debt Service	Other Governmental Funds	Total Governmental Funds
Fund balance as previously reported	\$ 36,540,787	\$ 13,174,040	\$ 6,327,022	\$ 56,041,849
GASB Statement No. 84	<u>(19,813)</u>	<u>-</u>	<u>226,229</u>	<u>206,416</u>
Restated fund balance, at June 30, 2019	<u>\$ 36,520,974</u>	<u>\$ 13,174,040</u>	<u>\$ 6,553,251</u>	<u>\$ 56,248,265</u>

The implementation of the GASB Statement No. 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	\$ (19,169,339)
GASB Statement No. 84	<u>206,416</u>
Restated net position at June 30, 2019	<u>\$ (18,962,923)</u>

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$6,737. Also, related to the implementation of GASB Statement No. 84, the District will currently not be reporting private purpose trust funds and will no longer report agency funds. At June 30, 2019, private purpose trust and agency funds reported net position and assets of \$2,450 and \$527,240, respectively.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Student wellness and success	\$ 31,542
IDEA Part-B	114,935
Title III - limited english proficiency	2,584
Title I, disadvantaged children	48,938
Improving teacher quality	164

The general fund is liable for any deficit 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.

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, and Government National Mortgage 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;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio, and certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. 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;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, 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 with Fiscal Agent

At fiscal year-end, \$21,881 was on deposit with Huntington National Bank for matured bonds and interest payable. These funds are included in the total amount of "Deposits with Financial Institutions" below.

B. Cash in Segregated Accounts

At fiscal year-end \$114,669 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of all District deposits was \$10,063,721. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2020 the bank balance of all District deposits was \$10,193,082. Of the bank balance, \$250,045 was covered by the FDIC, \$4,971,519 was covered by the Ohio Pooled Collateral System (OPCS), and \$4,971,518 was exposed to custodial credit risk.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District’s financial institution was approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

D. Investments

As of June 30, 2020, the District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	Investment Maturities				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Amortized Cost:</i>						
STAR Ohio	\$ 9,484,144	\$ 9,484,144	\$ -	\$ -	\$ -	\$ -
<i>Fair Value:</i>						
FHLMC	7,378,966	-	-	-	3,500,230	3,878,736
FNMA	4,179,591	-	-	-	-	4,179,591
FFCB	3,476,919	-	-	-	1,996,600	1,480,319
FHLB	3,016,475	-	-	-	-	3,016,475
U.S. Government money market mutual fund	13,221	13,221	-	-	-	-
Negotiable CDs	16,057,611	1,242,158	4,004,010	2,017,228	3,841,121	4,953,094
Commerical paper	10,192,247	6,755,414	3,436,833	-	-	-
Total	<u>\$ 53,799,174</u>	<u>\$ 17,494,937</u>	<u>\$ 7,440,843</u>	<u>\$ 2,017,228</u>	<u>\$ 9,337,951</u>	<u>\$ 17,508,215</u>

The weighted average maturity of investments is 1.43 years.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 (FHLMC, FNMA, FFCB, FHLB) were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The negotiable CDs are not rated but are fully insured by the FDIC. Standard & Poor's has assigned STAR Ohio and the U.S. government money market mutual fund 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, FHLMC, FFCB and FNMA securities, and commercial paper, and the negotiable CDs 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. The negotiable CD's are fully insured by the FDIC.

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, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	\$ 9,484,144	17.63
<i>Fair Value:</i>		
FHLMC	7,378,966	13.72
FNMA	4,179,591	7.77
FFCB	3,476,919	6.46
FHLB	3,016,475	5.61
U.S. government money market mutual fund	13,221	0.02
Negotiable CDs	16,057,611	29.85
Commercial paper	<u>10,192,247</u>	<u>18.94</u>
Total	<u>\$ 53,799,174</u>	<u>100.00</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 10,063,721
Investments	<u>53,799,174</u>
Total	<u>\$ 63,862,895</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	<u>\$ 63,862,895</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund transfers for the year ended June 30, 2020, consisted of the following, as reported on the fund financial statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	\$ 1,251,809
 <u>Transfers from nonmajor governmental fund to:</u>	
General fund	<u>12,441</u>
Total	<u>\$ 1,264,250</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 \$12,441 transfer to the general fund from the nonmajor governmental fund was to close-out a special revenue fund that had no further obligations.

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

All transfers made in fiscal year 2020 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- B.** Due from and to other funds at June 30, 2020 consisted of the following individual amounts, as reported in the fund financial statements:

<u>Due to general fund from:</u>	<u>Amount</u>
Nonmajor governmental funds:	
Elementary and secondary school emergency relief	\$ 51,983
IDEA Part-B	136,079
School improvement stimulus A	800
Title III , limited english proficiency	987
Title I , disadvantaged children	31,434
IDEA preschool grant for the handicapped	98,012
Improving teacher quality	2,853
Miscellaneous federal grants	<u>4,753</u>
Total	<u>\$ 326,901</u>

The purpose of this amount due from and to other funds is to cover negative cash balances in nonmajor special revenue governmental funds. The District may maintain negative cash balances in nonmajor special revenue funds if three criteria are met: (1) the general fund must have available and unencumbered funds to cover the negative amounts; (2) a reimbursement request must have been submitted by the fiscal year-end; and (3) there is a reasonable likelihood that the request for payment will be made. The District has met these three requirements.

The amounts due to and from other funds will be repaid once the anticipated revenues are received. Amounts due from and to other funds between governmental funds are eliminated on the government-wide financial statements.

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 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2019, were levied after April 1, 2019, 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 - PROPERTY TAXES - (Continued)

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, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$3,764,720 in the general fund, \$1,013,770 in the District debt service fund and \$41,556 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$4,228,553 in the general fund, \$1,278,526 in the District debt service fund and \$47,358 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,245,805,440	97.93	\$ 1,493,605,880	98.01
Public utility personal	<u>26,389,680</u>	<u>2.07</u>	<u>30,273,440</u>	<u>1.99</u>
Total	<u>\$ 1,272,195,120</u>	<u>100.00</u>	<u>\$ 1,523,879,320</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$72.20		\$72.20	
Bond	10.00		7.60	
Facilities maintenance	0.50		0.50	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 7 - RECEIVABLES

Receivables at June 30, 2020 consisted of taxes, payment in lieu of taxes, accounts, 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 position follows:

Governmental activities:

Property taxes	\$ 50,211,228
Income taxes	6,971,129
Payment in lieu of taxes	379,580
Accounts	291,352
Accrued interest	104,122
Intergovernmental	<u>1,146,453</u>
Total	<u>\$ 59,103,864</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within one year.

NOTE 8 - CAPITAL ASSETS

Governmental capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 9,185,480	\$ -	\$ -	\$ 9,185,480
Construction in progress	<u>651,534</u>	<u>1,381,348</u>	<u>(1,299,362)</u>	<u>733,520</u>
Total capital assets, not being depreciated	<u>9,837,014</u>	<u>1,381,348</u>	<u>(1,299,362)</u>	<u>9,919,000</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	21,066,129	1,364,460	-	22,430,589
Building and improvements	227,092,155	-	-	227,092,155
Furniture and equipment	6,811,733	1,324,185	-	8,135,918
Vehicles	<u>3,009,742</u>	<u>264,963</u>	<u>(124,005)</u>	<u>3,150,700</u>
Total capital assets, being depreciated	<u>257,979,759</u>	<u>2,953,608</u>	<u>(124,005)</u>	<u>260,809,362</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(13,778,771)	(936,588)	-	(14,715,359)
Building and improvements	(107,866,806)	(6,080,055)	-	(113,946,861)
Furniture and equipment	(4,958,466)	(466,379)	-	(5,424,845)
Vehicles	<u>(2,018,602)</u>	<u>(216,771)</u>	<u>124,005</u>	<u>(2,111,368)</u>
Total accumulated depreciation	<u>(128,622,645)</u>	<u>(7,699,793)</u>	<u>124,005</u>	<u>(136,198,433)</u>
Governmental activities capital assets, net	<u>\$ 139,194,128</u>	<u>\$ (3,364,837)</u>	<u>\$ (1,299,362)</u>	<u>\$ 134,529,929</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 5,002,424
Special	265,690
Vocational	18,573
<u>Support services:</u>	
Pupil	175,626
Instructional staff	377,166
Administration	152,981
Operations and maintenance	659,595
Pupil transportation	168,292
Central	2,502
Extracurricular activities	167,189
Food service operation	<u>709,755</u>
Total depreciation expense	<u>\$ 7,699,793</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 GAAP, 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, 2020, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$434,226 has been booked as of June 30, 2020 leaving a book value of \$1,235,896. Lease-purchase payments have been reclassified as debt service expenditures in the basic financial statements for the general fund. Principal and interest payments totaled \$126,743 and \$27,142, respectively. The principal balance of the lease-purchase agreement is \$279,437 at June 30, 2020.

During the current fiscal year, fiscal year 2015 and fiscal year 2018, the District entered into lease-purchase agreements with Apple, Inc. These leases meet the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. These leases were used to acquire various Apple products for students including iPads and computers. At June 30, 2020, these items acquired by lease purchase total \$3,344,296 and have not been capitalized due to each item being under the capitalization threshold. Lease-purchase payments have been reclassified as debt service expenditures in the basic financial statements for the general fund. Principal and interest payments totaled \$410,197 and \$8,612, respectively. The principal balance of the lease-purchase agreements is \$559,403 at June 30, 2020.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

During the current fiscal year, the District entered into lease-purchase agreements with BGE Financial Corporation. These leases meet the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. These leases were used to acquire various musical instruments for students. At June 30, 2020, items acquired by lease purchase totaling \$295,093 and have not been capitalized due to each item being under the capitalization threshold. At June 30, 2020, capital assets acquired by lease purchase that were over the capitalization threshold have been capitalized under furniture and equipment in the amount of \$204,262. Accumulated depreciation of \$10,213 has been booked as of June 30, 2020 leaving a book value of \$194,049. Lease-purchase payments have been reclassified as debt service expenditures in the basic financial statements for the general fund. Principal and interest payments totaled \$92,732 and \$8,339, respectively. The principal balance of the lease-purchase agreement is \$406,623 at June 30, 2020.

The lease purchase agreements are considered direct borrowings. Direct borrowings have terms negotiated directly between the District and the lender and are not offered for public sale. In conjunction with the lease-purchase agreement for the bus/maintenance facility, the District and Fifth Third Bank have entered into a Ground Lease agreement whereby the District has leased to Fifth Third Bank, under a Ground Lease, the Project Site and Fifth Third Bank has subleased the Project Site, and the facilities already located and/or to be constructed thereon (the Project Facilities”) back to the District under the terms of the lease-purchase agreement. The Project Site and Project Facilities are collateral for the debt as, in the event of default or “Nonappropriation of Funds”, the Fifth Third Bank shall have the right to re-lease the Project Site and Project Facilities and/or assign the Ground Lease. The lease-purchase agreements with Apple, Inc. and BGE Financial Corporation provide that the Board of Education should appropriate funds for the base rent, as defined in the lease, due in each succeeding fiscal year. Failure to appropriate within the allotted time frame is a default under the lease and cause the lease to terminate.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements and the present value of the minimum lease payments as of June 30, 2020.

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2021	\$ 774,025
2022	212,944
2023	146,726
2024	146,724
2025	<u>101,070</u>
Total minimum lease payments	1,381,489
Less: amount representing interest	<u>(136,026)</u>
Present value of minimum lease payments	<u>\$ 1,245,463</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 10 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During the current fiscal year and fiscal year 2017, the District entered into a capitalized lease for copier equipment. This lease meets the criteria of a capital lease as defined by GAAP, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. At June 30, 2020, capital assets acquired by capital lease have been capitalized under furniture and equipment in the amount of \$2,345,590. Accumulated depreciation of \$1,334,396 has been booked as of June 30, 2020 leaving a book value of \$1,011,194. Principal and interest payments totaled \$337,172 and \$31,354, respectively. Capital lease payments have been reclassified as debt service expenditures in the basic financial statement for the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease obligation and the present value of the minimum lease payments as of June 30, 2020.

Fiscal Year Ending	<u>Total</u>
<u>June 30</u>	
2021	\$ 471,109
2022	222,358
2023	217,334
2024	217,245
2025	<u>162,934</u>
Total minimum lease payments	1,290,980
Less: amount representing interest	<u>(121,553)</u>
Present value of minimum lease payments	<u>\$ 1,169,427</u>

NOTE 11 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

The District has several general obligation bond issues outstanding. These bonds were issued for general governmental activities, specifically; construction and/or renovation of school buildings. 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 position. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's district debt service fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2020:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>
General Obligation Bonds:				
Series 2006, capital appreciation bonds	\$ 1,547,964	\$ -	\$ (1,547,964)	\$ -
Series 2006, capital appreciation bonds accreted interest	3,792,002	255,034	(4,047,036)	-
Series 2014, current interest refunding bonds	23,130,000	-	(2,730,000)	20,400,000
Series 2015, current interest refunding bonds	8,805,000	-	-	8,805,000
Series 2016B, current interest refunding bonds	10,010,000	-	-	10,010,000
Series 2016, current interest refunding bonds	<u>45,260,000</u>	<u>-</u>	<u>(895,000)</u>	<u>44,365,000</u>
Total general obligation bonds	<u>\$ 92,544,966</u>	<u>\$ 255,034</u>	<u>\$ (9,220,000)</u>	<u>\$ 83,580,000</u>

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 position.

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 matured 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 was \$16,780,000.

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.

The current interest bonds were refunded in the amount of \$49,860,000 with proceeds from the Series 2016 refunding bonds. The difference in the amount refunded and the refunding for the 2016 refunding bonds was \$2,115,000.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The District fulfilled the debt obligation during the current fiscal year.

Series 2014 Refunding General Obligation Bonds - On August 20, 2014, the District issued general obligation bonds (Series 2014 Refunding Bonds) to advance refund the callable portion of the Series 2007 current interest general obligation bonds (\$24,670,000) and series 2004 current interest bonds (\$3,450,000). The issuance proceeds of \$27,875,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 1.00% to 5.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$3,450,864. 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 2015 Refunding General Obligation Bonds - On December 10, 2015, the District issued general obligation bonds (Series 2015 Refunding Bonds) to advance refund the callable portion of the Series 2007 current interest general obligation bonds (\$8,805,000). The issuance proceeds of \$8,805,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$1,176,960. 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, 2031.

Series 2016 Refunding General Obligation Bonds - On September 8, 2016, the District issued \$47,745,000 general obligation bonds (Series 2016 Refunding Bonds) to refund the callable portion of the Series 2006 current interest general obligation bonds (\$49,860,000). The issuance proceeds of \$50,898,545 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 2.75%. The net carrying amount exceeded the reacquisition price of the old debt by \$697,610. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The final maturity on the bonds is December 1, 2026.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Series 2016B Refunding General Obligation Bonds - On July 6, 2016, the District issued \$10,010,000 general obligation bonds (Series 2016B Refunding Bonds) to refund the callable portion of the Series 2007 current interest general obligation bonds (\$10,450,000). The issuance proceeds of \$11,022,414 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The final maturity on the bonds is December 1, 2034.

The refunding issue is comprised of current interest bonds with an interest rate ranging from 3.111% to 4.000%. The reacquisition price exceeded the net carrying amount of the old debt by \$1,201,354. 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.

- 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		
	Principal	Interest	Total
2021	\$ 8,420,000	\$ 2,703,561	\$ 11,123,561
2022	8,130,000	2,451,626	10,581,626
2023	8,380,000	2,199,237	10,579,237
2024	8,635,000	1,938,907	10,573,907
2025	8,910,000	1,670,224	10,580,224
2026 - 2030	25,110,000	4,809,926	29,919,926
2031 - 2035	15,995,000	1,514,844	17,509,844
Total	<u>\$ 83,580,000</u>	<u>\$ 17,288,325</u>	<u>\$ 100,868,325</u>

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**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

C. During the fiscal year 2020, the following changes occurred in governmental activities long-term obligations.

	Balance Outstanding June 30, 2019	Additions	Reductions	Balance Outstanding June 30, 2020	Amounts Due in One Year
Governmental activities:					
<u>General Obligation Bonds:</u>					
General obligation bonds	\$ 92,544,966	\$ 255,034	\$ (9,220,000)	\$ 83,580,000	\$ 8,420,000
<u>Other Long-Term Obligations:</u>					
Lease-purchase agreements					
from direct borrowing	1,196,805	678,330	(629,672)	1,245,463	709,799
Capital lease obligations	546,166	960,433	(337,172)	1,169,427	422,878
Net pension liability	138,242,628	2,522,047	-	140,764,675	-
Net OPEB liability	12,848,954	-	(1,528,125)	11,320,829	-
Compensated absences	7,619,232	1,277,238	(1,191,886)	7,704,584	991,922
Total other long-term obligations	<u>160,453,785</u>	<u>5,438,048</u>	<u>(3,686,855)</u>	<u>162,204,978</u>	<u>2,124,599</u>
Total governmental activities	<u>\$ 252,998,751</u>	<u>\$ 5,693,082</u>	<u>\$ (12,906,855)</u>	245,784,978	<u>\$ 10,544,599</u>
Add: unamortized premiums on refundings				3,568,648	
Total on statement of net position				<u>\$ 249,353,626</u>	

Lease-purchase Agreement - The District entered into lease-purchase obligations for the acquisition of a bus/maintenance facility, computer hardware and musical instruments. See Note 9 for details.

Capital Lease Obligations - The District entered into capitalized lease obligations for copiers. See Note 10 for details.

Net Pension Liability - See Note 14 for detail on the net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

Net OPEB Liability - See Note 15 for detail on the net OPEB liability. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

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).

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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, 2020, the District had no unvoted debt.

NOTE 12 - 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, 2011 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, 2011 earn ten to twenty days of vacation per year, with a maximum accrual of 20 to 40 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.

Non-administrative employees earn 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 certificated staff with a minimum of five years with the District; and 61 days for 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.

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. Administrative employees earn sick leave at a rate ranging from one and one-third days per month to one and two-thirds days per month, depending upon the number of contractual days worked. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 82 days for administrative employees with a minimum of five years of service with the District. Accumulated unused vacation time is paid to administrative employees upon termination of employment.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 13 - 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 (\$25,000 deductible) per occurrence	\$406,943,830
Boiler and Machinery (\$25,000 deductible) per occurrence	100,000,000
Automobile liability (\$25,000 deductible)	4,000,000
Medical payments	5,000
Public Employee Dishonesty/ Theft per occurrence	1,000,000
General school district liability:	
Per occurrence	4,000,000
Total per aggregate	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. Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

For policy year 2020, 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 2016 program, the evaluation periods were 12/31/2017, 12/31/2018 and 12/31/2019. This is due to the District being a part of the Group Retrospective Rating Plan until December 31, 2016. 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.

C. Self-Insured Worker's Compensation Program

On January 1, 2017, the District began operating its own Worker's Compensation internal service fund. Sedgwick CMS acts as the claims administrator for this self-funded plan.

Because the District was part of the Group Retrospective Rating Plan until December 31, 2016, the District will still experience the evaluation periods noted in the Group Retrospective Rating Plan noted above, and will still be entitled to any refunds provided at the end of the three evaluation periods. These refunds will be placed into the Worker's Compensation fund at those times.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 13 - RISK MANAGEMENT - (Continued)

D. Employee Health Insurance

The District is self-insured for its medical, dental, and prescription drug coverage. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. Anthem, Inc. acts as the claims administrator for this self-funded plan. A stop-loss insurance contract with Anthem, Inc. covers specific liability claims in excess of \$250,000 per – subscriber (the stop-loss applies to all covered persons on the plan per subscriber).

The claims liability of \$1,026,900 reported in the internal service fund at June 30, 2020 is based on an estimate provided by the third-party administrator and the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund’s claims liability for 2020 and 2019 are listed below:

	Balance at Beginning <u>of Year</u>	Current <u>Claims</u>	Claims <u>Payment</u>	Balance at <u>End of Year</u>
2020	\$ 1,593,200	\$ 15,953,829	\$ (16,520,129)	\$ 1,026,900
2019	1,314,100	15,552,644	(15,273,544)	1,593,200

Employees may also purchase vision group coverage, with the full premium being paid by employees.

Employer and employee contributions to premiums for health (including prescription drug) and dental coverage are determined for most employees by negotiated agreements with employee labor unions. Currently, single coverage and family coverage for all employees except administrators are as follows:

Coverage	Administrators	Certified Staff	Classified Staff
Health PPO	Board pays 80%	Board pays 80%	Board pays 80%
Health HDHP	Board pays 80%	N/A	Board pays 85%
Dental	Board pays 80%	Board pays \$55/month	Board pays \$55/month

NOTE 14 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$2,214,593 for fiscal year 2020. Of this amount, \$152,470 is reported as pension and postemployment obligation.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2020, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$8,972,542 for fiscal year 2020. Of this amount, \$1,526,268 is reported as pension and postemployment obligation.

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

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.45649180%	0.50982239%	
Proportion of the net pension liability current measurement date	<u>0.43707660%</u>	<u>0.51827597%</u>	
Change in proportionate share	<u>-0.01941520%</u>	<u>0.00845358%</u>	
Proportionate share of the net pension liability	\$ 26,151,059	\$ 114,613,616	\$ 140,764,675
Pension expense	\$ 4,395,342	\$ 18,973,357	\$ 23,368,699

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 663,134	\$ 933,146	\$ 1,596,280
Changes of assumptions	-	13,463,583	13,463,583
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	313,864	3,581,419	3,895,283
Contributions subsequent to the measurement date	<u>2,214,593</u>	<u>8,972,542</u>	<u>11,187,135</u>
Total deferred outflows of resources	<u>\$ 3,191,591</u>	<u>\$ 26,950,690</u>	<u>\$ 30,142,281</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 496,139	\$ 496,139
Net difference between projected and actual earnings on pension plan investments	335,681	5,601,692	5,937,373
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>574,287</u>	<u>-</u>	<u>574,287</u>
Total deferred inflows of resources	<u>\$ 909,968</u>	<u>\$ 6,097,831</u>	<u>\$ 7,007,799</u>

\$11,187,135 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ 667,012	\$ 8,734,613	\$ 9,401,625
2022	(768,013)	2,774,553	2,006,540
2023	(22,337)	(550,948)	(573,285)
2024	190,368	922,099	1,112,467
Total	\$ 67,030	\$ 11,880,317	\$ 11,947,347

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

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

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 36,646,983	\$ 26,151,059	\$ 17,348,914

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 167,495,031	\$ 114,613,616	\$ 69,846,789

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$310,468.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$310,468 for fiscal year 2020. Of this amount, \$310,468 is reported as pension and postemployment obligation.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.46314720%	0.50982239%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.45017000%</u>	<u>0.51827597%</u>	
Change in proportionate share	<u>-0.01297720%</u>	<u>0.00845358%</u>	
Proportionate share of the net OPEB liability	\$ 11,320,829	\$ -	\$ 11,320,829
Proportionate share of the net OPEB asset	\$ -	\$ (8,583,892)	\$ (8,583,892)
OPEB expense	\$ 444,194	\$ (2,475,335)	\$ (2,031,141)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 166,180	\$ 778,196	\$ 944,376
Net difference between projected and actual earnings on OPEB plan investments	27,174	-	27,174
Changes of assumptions	826,858	180,431	1,007,289
Difference between employer contributions and proportionate share of contributions/change in proportionate share	264,659	671,249	935,908
Contributions subsequent to the measurement date	<u>310,468</u>	<u>-</u>	<u>310,468</u>
Total deferred outflows of resources	<u>\$ 1,595,339</u>	<u>\$ 1,629,876</u>	<u>\$ 3,225,215</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,487,109	\$ 436,717	\$ 2,923,826
Net difference between projected and actual earnings on OPEB plan investments	-	539,126	539,126
Changes of assumptions	634,387	9,411,243	10,045,630
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>331,321</u>	<u>648</u>	<u>331,969</u>
Total deferred inflows of resources	<u>\$ 3,452,817</u>	<u>\$ 10,387,734</u>	<u>\$ 13,840,551</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$310,468 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2021	\$ (594,126)	\$ (1,896,333)	\$ (2,490,459)
2022	(351,415)	(1,896,333)	(2,247,748)
2023	(343,441)	(1,680,259)	(2,023,700)
2024	(344,737)	(1,604,463)	(1,949,200)
2025	(359,786)	(1,713,267)	(2,073,053)
Thereafter	(174,441)	32,797	(141,644)
Total	\$ (2,167,946)	\$ (8,757,858)	\$ (10,925,804)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 13,741,339	\$ 11,320,829	\$ 9,396,240

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 9,070,277	\$ 11,320,829	\$ 14,306,766

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2018.

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	District's proportionate share of the net OPEB asset	\$ 7,324,644	\$ 8,583,892

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	District's proportionate share of the net OPEB asset	\$ 9,733,741	\$ 8,583,892

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (5,766,156)
Net adjustment for revenue accruals	(1,680,740)
Net adjustment for expenditure accruals	(1,157,422)
Net adjustment for other sources/uses	1,635,278
Funds budgeted elsewhere	341,505
Adjustment for encumbrances	<u>1,987,254</u>
GAAP basis	<u>\$ (4,640,281)</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 termination benefits fund, STRS and SERS board share agency fund, flexible spending account fund, unclaimed fund and PCS agency closeout fund.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 18 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plan in which the District participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 19 - SCHOOL DISTRICT INCOME TAX

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2020, the District income tax generated \$17,786,258 in revenue on the modified accrual basis of accounting. The District apportions all the proceeds to the general fund.

NOTE 20 - 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 and offsets exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 20 - SET-ASIDES - (Continued)

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, 2019	\$ -
Current year set-aside requirement	1,865,945
Current year qualifying expenditures	(2,262,024)
Current year offsets	<u>(491,258)</u>
Total	<u>\$ (887,337)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u><u>\$ -</u></u>

During prior fiscal years, the District issued \$161,400,000 in classroom facilities construction bonds. These proceeds may be used to reduce capital acquisition to zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$148,615,282 at June 30, 2020.

NOTE 21 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 2,136,933
Nonmajor governmental funds	<u>3,396,877</u>
Total	<u><u>\$ 5,533,810</u></u>

NOTE 22 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Community Reinvestment Areas

The City of Pickerington, Violet Township, and Fairfield County provide tax abatements through Community Reinvestment Areas (CRAs).

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 22 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS - (Continued)

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

The CRA agreements entered into by the City of Pickerington, Violet Township, and Fairfield County affect the property tax receipts collected and distributed to the District. Under these agreements, the District's property taxes were reduced by \$31,871.

NOTE 23 - SIGNIFICANT SUBSEQUENT EVENTS

On September 10, 2020, the District issued \$10,005,000 in current interest refunding bonds with an interest rate ranging from 4.00% to 4.25% and a final maturity of December 31, 2028. These bonds were issued to advance refund a portion of the Series 2014 refunding bonds.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.43707660%	0.45649180%	0.44084410%	0.42904250%
District's proportionate share of the net pension liability	\$ 26,151,059	\$ 26,144,131	\$ 26,339,461	\$ 31,401,952
District's covered payroll	\$ 15,762,719	\$ 14,862,319	\$ 14,208,321	\$ 13,144,543
District's proportionate share of the net pension liability as a percentage of its covered payroll	165.90%	175.91%	185.38%	238.90%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.41343850%	0.39699100%	0.39699100%
\$ 23,591,202	\$ 20,091,468	\$ 23,607,781
\$ 12,446,654	\$ 11,535,772	\$ 8,845,773
189.54%	174.17%	266.88%
69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.51827597%	0.50982239%	0.50984419%	0.48947303%
District's proportionate share of the net pension liability	\$ 114,613,616	\$ 112,098,497	\$ 121,114,580	\$ 163,841,377
District's covered payroll	\$ 60,173,693	\$ 59,724,036	\$ 55,752,121	\$ 51,928,429
District's proportionate share of the net pension liability as a percentage of its covered payroll	190.47%	187.69%	217.24%	315.51%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.48536458%	0.46866539%	0.46866539%
\$ 134,140,573	\$ 113,995,642	\$ 135,790,863
\$ 50,639,664	\$ 47,884,654	\$ 46,012,108
264.89%	238.06%	295.12%
72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,214,593	\$ 2,127,967	\$ 2,006,413	\$ 1,989,165
Contributions in relation to the contractually required contribution	<u>(2,214,593)</u>	<u>(2,127,967)</u>	<u>(2,006,413)</u>	<u>(1,989,165)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,818,521	\$ 15,762,719	\$ 14,862,319	\$ 14,208,321
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,840,236	\$ 1,640,469	\$ 1,598,858	\$ 1,224,255	\$ 1,195,166	\$ 1,192,105
<u>(1,840,236)</u>	<u>(1,640,469)</u>	<u>(1,598,858)</u>	<u>(1,224,255)</u>	<u>(1,195,166)</u>	<u>(1,192,105)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,144,543	\$ 12,446,654	\$ 11,535,772	\$ 8,845,773	\$ 8,885,993	\$ 9,483,731
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 8,972,542	\$ 8,424,317	\$ 8,361,365	\$ 7,805,297
Contributions in relation to the contractually required contribution	<u>(8,972,542)</u>	<u>(8,424,317)</u>	<u>(8,361,365)</u>	<u>(7,805,297)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 64,089,586	\$ 60,173,693	\$ 59,724,036	\$ 55,752,121
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 7,269,980	\$ 7,089,553	\$ 6,225,005	\$ 5,981,574	\$ 6,089,137	\$ 6,667,463
<u>(7,269,980)</u>	<u>(7,089,553)</u>	<u>(6,225,005)</u>	<u>(5,981,574)</u>	<u>(6,089,137)</u>	<u>(6,667,463)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 51,928,429	\$ 50,639,664	\$ 47,884,654	\$ 46,012,108	\$ 46,839,515	\$ 51,288,177
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.45017000%	0.46314720%	0.44897880%	0.43491917%
District's proportionate share of the net OPEB liability	\$ 11,320,829	\$ 12,848,954	\$ 12,049,411	\$ 12,396,805
District's covered payroll	\$ 15,762,719	\$ 14,862,319	\$ 14,208,321	\$ 13,144,543
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	71.82%	86.45%	84.81%	94.31%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.51827597%	0.50982239%	0.50984419%	0.48947303%
District's proportionate share of the net OPEB liability/(asset)	\$ (8,583,892)	\$ (8,192,325)	\$ 19,892,239	\$ 26,177,145
District's covered payroll	\$ 60,173,693	\$ 59,724,036	\$ 55,752,121	\$ 51,928,429
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	(14.27%)	(13.72%)	35.68%	50.41%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 310,468	\$ 364,140	\$ 324,685	\$ 252,216
Contributions in relation to the contractually required contribution	<u>(310,468)</u>	<u>(364,140)</u>	<u>(324,685)</u>	<u>(252,216)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 15,818,521	\$ 15,762,719	\$ 14,862,319	\$ 14,208,321
Contributions as a percentage of covered payroll	1.96%	2.31%	2.18%	1.78%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 220,636	\$ 303,234	\$ 199,970	\$ 176,124	\$ 228,231	\$ 321,840
<u>(220,636)</u>	<u>(303,234)</u>	<u>(199,970)</u>	<u>(176,124)</u>	<u>(228,231)</u>	<u>(321,840)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 13,144,543	\$ 12,446,654	\$ 11,535,772	\$ 8,845,773	\$ 8,885,993	\$ 9,483,731
1.68%	2.44%	1.73%	1.99%	2.57%	3.39%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 64,089,586	\$ 60,173,693	\$ 59,724,036	\$ 55,752,121
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 478,847	\$ 460,121	\$ 468,395	\$ 512,882
-	-	(478,847)	(460,121)	(468,395)	(512,882)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 51,928,429	\$ 50,639,664	\$ 47,884,654	\$ 46,012,108	\$ 46,839,515	\$ 51,288,177
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2019-2020.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**PICKERINGTON LOCAL SCHOOL DISTRICT
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.

**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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
District Debt Service				
Total Revenues and Other Sources	\$ 13,161,484	\$ 12,661,484	\$ 12,220,927	\$ (440,557)
Total Expenditures and Other Uses	<u>12,286,381</u>	<u>12,286,381</u>	<u>12,267,021</u>	<u>19,360</u>
Net Change in Fund Balances	875,103	375,103	(46,094)	(421,197)
Unencumbered Fund Balance at Beginning of Year	<u>11,895,514</u>	<u>11,895,514</u>	<u>11,895,514</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	<u><u>\$ 12,770,617</u></u>	<u><u>\$ 12,270,617</u></u>	<u><u>\$ 11,849,420</u></u>	<u><u>\$ (421,197)</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 3,789,941	\$ 3,003,480	\$ 6,793,421
Cash in segregated accounts	-	114,669	114,669
Receivables:			
Property taxes	429,871	-	429,871
Payment in lieu of taxes	3,416	-	3,416
Accounts	1,417	-	1,417
Intergovernmental	973,826	-	973,826
Materials and supplies inventory	16,332	-	16,332
Inventory held for resale	78,786	-	78,786
Total assets	\$ 5,293,589	\$ 3,118,149	\$ 8,411,738
Liabilities:			
Accounts payable	\$ 46,880	\$ -	\$ 46,880
Contracts payable	-	344,518	344,518
Retainage payable	-	114,669	114,669
Accrued wages and benefits payable	662,777	-	662,777
Intergovernmental payable	9,228	-	9,228
Pension and postemployment obligation	112,979	-	112,979
Due to other funds	326,901	-	326,901
Total liabilities	1,158,765	459,187	1,617,952
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	379,944	-	379,944
Payment in lieu of taxes levied for the next fiscal year	3,416	-	3,416
Delinquent property tax revenue not available	8,371	-	8,371
Intergovernmental revenue not available	211,624	-	211,624
Total deferred inflows of resources	603,355	-	603,355
Fund balances:			
Nonspendable:			
Materials and supplies inventory	16,332	-	16,332
Restricted:			
Classroom facilities maintenance	1,136,467	-	1,136,467
Food service operations	1,815,382	-	1,815,382
Other purposes	108,579	-	108,579
Extracurricular	652,872	-	652,872
Committed:			
Capital improvements	-	2,658,962	2,658,962
Unassigned (deficit)	(198,163)	-	(198,163)
Total fund balances	3,531,469	2,658,962	6,190,431
Total liabilities, deferred inflow and fund balances	\$ 5,293,589	\$ 3,118,149	\$ 8,411,738

**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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Property taxes	\$ 421,383	\$ -	\$ 421,383
Payment in lieu of taxes	11,717	-	11,717
Earnings on investments	27,964	200	28,164
Charges for services	2,422,146	-	2,422,146
Extracurricular	675,366	-	675,366
Rental income	-	303,456	303,456
Contributions and donations	90,198	11,297	101,495
Other local revenues	37,120	144,775	181,895
Intergovernmental - state	838,799	-	838,799
Intergovernmental - federal	5,921,060	-	5,921,060
Total revenues	<u>10,445,753</u>	<u>459,728</u>	<u>10,905,481</u>
Expenditures:			
Current:			
Instruction:			
Regular	192,681	32,188	224,869
Special	2,131,124	-	2,131,124
Other	820,676	-	820,676
Support services:			
Pupil	837,577	-	837,577
Instructional staff	439,204	37,073	476,277
Administration	94,852	-	94,852
Fiscal	7,034	275	7,309
Operations and maintenance	880,378	108,823	989,201
Pupil transportation	11,523	-	11,523
Central	1,317	-	1,317
Operation of non-instructional services:			
Food service operations	4,663,913	-	4,663,913
Other non-instructional services	19,285	-	19,285
Extracurricular activities	824,708	-	824,708
Facilities acquisition and construction	5,950	1,399,088	1,405,038
Total expenditures	<u>10,930,222</u>	<u>1,577,447</u>	<u>12,507,669</u>
Excess of expenditures over revenues	<u>(484,469)</u>	<u>(1,117,719)</u>	<u>(1,602,188)</u>
Other financing sources (uses):			
Transfers in	1,809	1,250,000	1,251,809
Transfers (out)	<u>(12,441)</u>	<u>-</u>	<u>(12,441)</u>
Total other financing sources (uses)	<u>(10,632)</u>	<u>1,250,000</u>	<u>1,239,368</u>
Net change in fund balances	(495,101)	132,281	(362,820)
Fund balances at beginning of year (restated)	<u>4,026,570</u>	<u>2,526,681</u>	<u>6,553,251</u>
Fund balances at end of year	<u>\$ 3,531,469</u>	<u>\$ 2,658,962</u>	<u>\$ 6,190,431</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
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 debt service 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

Scholarship

A fund to account for the Doug Davis Memorial Scholarship Fund and the Tri-County Realtor Scholarship Fund for eligible students of the District. The principal and any income derived may be expended

Facilities Maintenance

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

Student Managed Activity

A 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.

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

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.

Student Wellness and Success

This fund accounts for the grant monies received through Student Wellness and Success Programs which are restricted for projects that help students' academic achievement through mental health counseling, wraparound services, mentoring and after school programs.

Miscellaneous State Grants

To account for state grants not classified elsewhere.

Elementary and Secondary School Emergency Relief

To account for emergency relief grants related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

IDEA Part B

To account for a federal grant aimed to assist in providing an appropriate public education to all children with disabilities

Title I School Improvement

To account for a federal grant to improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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 provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children. Included are the Even Start and Comprehensive School Reform programs

IDEA Preschool Grant

To account for grant monies pertaining to Section 619 of Public Law 99-457, addressing the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality

To account for various monies to hire additional classroom teachers, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for federal grants not classified elsewhere.

The following funds are included in the student managed activity fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are included in the combining statements for the nonmajor special revenue funds under the student managed activities fund column.

Orchestra Boosters

To account for the remaining funds from the PHSC Orchestra Boosters.

Special Olympics of Ohio

To account for activity of the District's Special Olympics Club.

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.

Termination Benefits

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

**PICKERINGTON LOCAL SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds (Continued)

Flexible Spending Account

A fund used to account for payroll accounts and funds.

Unclaimed Funds

To account for unclaimed funds.

PCS Agency Closeout

To account for the remaining funds from the Pickerington Community School closure.

STRS Board Share

A fund used to account for the board share of the amounts due to the State Teachers Retirement Services.

SERS Board Share

A fund used to account for the board share of the amounts due to the School Employees Retirement Services.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Food Services</u>	<u>School Trusts</u>	<u>Scholarship</u>	<u>Facilities Maintenance</u>
Assets:				
Equity in pooled cash and investments.	\$ 1,936,738	\$ 24,024	\$ 2,200	\$ 1,094,911
Receivables:				
Property taxes	-	-	-	429,871
Payment in lieu of taxes	-	-	-	3,416
Accounts.	63	10	-	-
Intergovernmental	115,367	-	-	-
Materials and supplies inventory	16,332	-	-	-
Inventory held for resale	78,786	-	-	-
Total assets.	<u>\$ 2,147,286</u>	<u>\$ 24,034</u>	<u>\$ 2,200</u>	<u>\$ 1,528,198</u>
Liabilities:				
Accounts payable.	\$ 17,188	\$ -	\$ -	\$ -
Accrued wages and benefits payable	227,739	-	-	-
Intergovernmental payable	2,809	-	-	-
Pension and postemployment obligation	67,810	-	-	-
Due to other funds	-	-	-	-
Total liabilities.	<u>315,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	379,944
Payment in lieu of taxes levied for the next fiscal year.	-	-	-	3,416
Delinquent property tax revenue not available.	-	-	-	8,371
Intergovernmental revenue not available	26	-	-	-
Total deferred inflows of resources	<u>26</u>	<u>-</u>	<u>-</u>	<u>391,731</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	16,332	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	1,136,467
Food service operations	1,815,382	-	-	-
Other purposes.	-	24,034	2,200	-
Extracurricular	-	-	-	-
Unassigned (deficits)	-	-	-	-
Total fund balances	<u>1,831,714</u>	<u>24,034</u>	<u>2,200</u>	<u>1,136,467</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,147,286</u>	<u>\$ 24,034</u>	<u>\$ 2,200</u>	<u>\$ 1,528,198</u>

<u>Student Managed Activity</u>	<u>Student Activity</u>	<u>Summer School Subsidy</u>	<u>Student Wellness and Success</u>	<u>Miscellaneous State Grants</u>	<u>Elementary and Secondary School Emergency Relief</u>	<u>IDEA Part B</u>
\$ 213,035	\$ 438,493	\$ 1,552	\$ 55,680	\$ 23,308	\$ -	\$ -
-	-	-	-	-	-	-
1,071	273	-	-	-	-	-
-	-	-	-	-	137,360	465,411
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 214,106</u>	<u>\$ 438,766</u>	<u>\$ 1,552</u>	<u>\$ 55,680</u>	<u>\$ 23,308</u>	<u>\$ 137,360</u>	<u>\$ 465,411</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,892	\$ 1,800
-	-	-	71,928	-	-	254,069
-	-	-	990	-	-	3,684
-	-	-	14,304	-	-	28,447
-	-	-	-	-	51,983	136,079
-	-	-	87,222	-	79,875	424,079
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	156,267
-	-	-	-	-	-	156,267
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,552	-	23,308	57,485	-
214,106	438,766	-	-	-	-	-
-	-	-	(31,542)	-	-	(114,935)
<u>214,106</u>	<u>438,766</u>	<u>1,552</u>	<u>(31,542)</u>	<u>23,308</u>	<u>57,485</u>	<u>(114,935)</u>
<u>\$ 214,106</u>	<u>\$ 438,766</u>	<u>\$ 1,552</u>	<u>\$ 55,680</u>	<u>\$ 23,308</u>	<u>\$ 137,360</u>	<u>\$ 465,411</u>

-- (Continued)

PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2020

	<u>Title I School Improvement</u>	<u>Title III</u>	<u>Title I</u>	<u>IDEA Preschool Grant</u>
Assets:				
Equity in pooled cash and investments.	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Accounts.	-	-	-	-
Intergovernmental	800	4,937	143,523	98,012
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets.	<u>\$ 800</u>	<u>\$ 4,937</u>	<u>\$ 143,523</u>	<u>\$ 98,012</u>
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	3,949	105,092	-
Intergovernmental payable	-	57	1,524	-
Pension and postemployment obligation	-	553	1,865	-
Due to other funds	800	987	31,434	98,012
Total liabilities.	<u>800</u>	<u>5,546</u>	<u>139,915</u>	<u>98,012</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Payment in lieu of taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Intergovernmental revenue not available	-	1,975	52,546	-
Total deferred inflows of resources	<u>-</u>	<u>1,975</u>	<u>52,546</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Other purposes.	-	-	-	-
Extracurricular	-	-	-	-
Unassigned (deficits)	-	(2,584)	(48,938)	-
Total fund balances	<u>-</u>	<u>(2,584)</u>	<u>(48,938)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 800</u>	<u>\$ 4,937</u>	<u>\$ 143,523</u>	<u>\$ 98,012</u>

<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 3,789,941
-	-	429,871
-	-	3,416
-	-	1,417
2,853	5,563	973,826
-	-	16,332
-	-	78,786
<u>\$ 2,853</u>	<u>\$ 5,563</u>	<u>\$ 5,293,589</u>
\$ -	\$ -	\$ 46,880
-	-	662,777
164	-	9,228
-	-	112,979
<u>2,853</u>	<u>4,753</u>	<u>326,901</u>
<u>3,017</u>	<u>4,753</u>	<u>1,158,765</u>
-	-	379,944
-	-	3,416
-	-	8,371
-	810	211,624
<u>-</u>	<u>810</u>	<u>603,355</u>
-	-	16,332
-	-	1,136,467
-	-	1,815,382
-	-	108,579
-	-	652,872
<u>(164)</u>	<u>-</u>	<u>(198,163)</u>
<u>(164)</u>	<u>-</u>	<u>3,531,469</u>
<u>\$ 2,853</u>	<u>\$ 5,563</u>	<u>\$ 5,293,589</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, 2020

	<u>Food Services</u>	<u>School Trusts</u>	<u>Scholarship</u>	<u>Facilities Maintenance</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ 421,383
Payment in lieu of taxes	-	-	-	11,717
Earnings on investments	27,964	-	-	-
Charges for services	2,422,146	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	22,331	750	-
Other local revenues	-	2,715	-	-
Intergovernmental - state	31,162	-	-	249,867
Intergovernmental - federal	2,158,919	-	-	-
Total revenues	4,640,191	25,046	750	682,967
Expenditures:				
Current:				
Instruction:				
Regular	-	18,135	1,000	-
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	245	-	-
Fiscal	-	-	-	7,034
Operations and maintenance	3,547	-	-	837,755
Pupil transportation	-	-	-	-
Central	-	1,317	-	-
Operation of non-instructional services:				
Food service operations	4,663,913	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	5,950
Total expenditures	4,667,460	19,697	1,000	850,739
Excess (deficiency) of revenues over (under) expenditures	(27,269)	5,349	(250)	(167,772)
Other financing (uses):				
Transfers in	-	1,809	-	-
Transfers (out)	-	-	-	-
Total other financing (uses)	-	1,809	-	-
Net change in fund balances	(27,269)	7,158	(250)	(167,772)
Fund balances at beginning of year (restated)	1,858,983	16,876	2,450	1,304,239
Fund balances (deficits) at end of year	\$ 1,831,714	\$ 24,034	\$ 2,200	\$ 1,136,467

Student Managed Activity	Student Activity	Data Communication	Summer School Subsidy	Student Wellness and Success	Miscellaneous State Grants	Elementary and Secondary School Emergency Relief
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
145,653	529,713	-	-	-	-	-
33,857	33,260	-	-	-	-	-
10,100	24,305	-	-	-	-	-
-	-	27,000	-	479,059	51,711	-
-	-	-	-	-	-	218,533
<u>189,610</u>	<u>587,278</u>	<u>27,000</u>	<u>-</u>	<u>479,059</u>	<u>51,711</u>	<u>218,533</u>
6,991	-	-	-	-	-	42,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	27,000	-	510,601	53,102	21,516
-	-	-	-	-	4	82,106
-	773	-	-	-	-	-
-	-	-	-	-	-	-
-	31,363	-	-	-	-	7,713
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,354	-	-	-	-	-	-
175,497	641,498	-	-	-	-	7,713
-	-	-	-	-	-	-
<u>186,842</u>	<u>673,634</u>	<u>27,000</u>	<u>-</u>	<u>510,601</u>	<u>53,106</u>	<u>161,048</u>
2,768	(86,356)	-	-	(31,542)	(1,395)	57,485
-	-	-	-	-	-	-
(12,441)	-	-	-	-	-	-
(12,441)	-	-	-	-	-	-
(9,673)	(86,356)	-	-	(31,542)	(1,395)	57,485
223,779	525,122	-	1,552	-	24,703	-
<u>\$ 214,106</u>	<u>\$ 438,766</u>	<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ (31,542)</u>	<u>\$ 23,308</u>	<u>\$ 57,485</u>

-- (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, 2020

	IDEA Part B	Title I School Improvement	Title III	Title I
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	-	-	-
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	2,581,941	22,832	40,278	621,245
Total revenues	<u>2,581,941</u>	<u>22,832</u>	<u>40,278</u>	<u>621,245</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	124,555
Special	1,986,685	-	39,824	-
Other	271,348	-	-	549,328
Support services:				
Pupil	192,981	-	-	-
Instructional staff	160,521	22,832	2,848	-
Administration	93,834	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	5,290	6,233
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	-	-	4,520	10,411
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>2,705,369</u>	<u>22,832</u>	<u>52,482</u>	<u>690,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123,428)</u>	<u>-</u>	<u>(12,204)</u>	<u>(69,282)</u>
Other financing (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(123,428)	-	(12,204)	(69,282)
Fund balances at beginning of year (restated)	<u>8,493</u>	<u>-</u>	<u>9,620</u>	<u>20,344</u>
Fund balances (deficits) at end of year	<u>\$ (114,935)</u>	<u>\$ -</u>	<u>\$ (2,584)</u>	<u>\$ (48,938)</u>

<u>IDEA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 421,383
-	-	-	11,717
-	-	-	27,964
-	-	-	2,422,146
-	-	-	675,366
-	-	-	90,198
-	-	-	37,120
-	-	-	838,799
98,012	146,924	32,376	5,921,060
<u>98,012</u>	<u>146,924</u>	<u>32,376</u>	<u>10,445,753</u>
-	-	-	192,681
104,615	-	-	2,131,124
-	-	-	820,676
-	-	32,377	837,577
-	170,893	-	439,204
-	-	-	94,852
-	-	-	7,034
-	-	-	880,378
-	-	-	11,523
-	-	-	1,317
-	-	-	4,663,913
-	-	-	19,285
-	-	-	824,708
-	-	-	5,950
<u>104,615</u>	<u>170,893</u>	<u>32,377</u>	<u>10,930,222</u>
<u>(6,603)</u>	<u>(23,969)</u>	<u>(1)</u>	<u>(484,469)</u>
-	-	-	1,809
-	-	-	(12,441)
-	-	-	(10,632)
(6,603)	(23,969)	(1)	(495,101)
6,603	23,805	1	4,026,570
<u>\$ -</u>	<u>\$ (164)</u>	<u>\$ -</u>	<u>\$ 3,531,469</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Food Services				
Total Revenues and Other Sources	\$ 4,849,952	\$ 4,849,616	\$ 4,203,464	\$ (646,152)
Total Expenditures and Other Uses	4,881,530	4,881,866	4,435,077	446,789
Net Change in Fund Balances	(31,578)	(32,250)	(231,613)	(199,363)
Unencumbered Fund Balance at Beginning of Year	1,898,103	1,898,103	1,898,103	-
Prior Year Encumbrances Appropriated	176,024	176,024	176,024	-
Unencumbered Fund Balance at End of Year	<u>\$ 2,042,549</u>	<u>\$ 2,041,877</u>	<u>\$ 1,842,514</u>	<u>\$ (199,363)</u>
School Trusts				
Total Revenues and Other Sources	\$ -	\$ 42,307	\$ 26,845	\$ (15,462)
Total Expenditures and Other Uses	31,332	41,640	30,625	11,015
Net Change in Fund Balances	(31,332)	667	(3,780)	(4,447)
Unencumbered Fund Balance at Beginning of Year	27,696	27,696	27,696	-
Prior Year Encumbrances Appropriated	108	108	108	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ (3,528)</u>	<u>\$ 28,471</u>	<u>\$ 24,024</u>	<u>\$ (4,447)</u>
Scholarship				
Total Revenues and Other Sources	\$ -	\$ -	\$ 750	\$ 750
Total Expenditures and Other Uses	2,000	2,000	1,000	1,000
Net Change in Fund Balances	(2,000)	(2,000)	(250)	1,750
Unencumbered Fund Balance at Beginning of Year	2,450	2,450	2,450	-
Unencumbered Fund Balance at End of Year	<u>\$ 450</u>	<u>\$ 450</u>	<u>\$ 2,200</u>	<u>\$ 1,750</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Facilities Maintenance				
Total Revenues and Other Sources	\$ 679,075	\$ 680,575	\$ 688,769	\$ 8,194
Total Expenditures and Other Uses	1,118,916	1,118,916	908,330	210,586
Net Change in Fund Balances	(439,841)	(438,341)	(219,561)	218,780
Unencumbered Fund Balance at Beginning of Year	840,002	840,002	840,002	-
Prior Year Encumbrances Appropriated	430,799	430,799	430,799	-
Unencumbered Fund Balance at End of Year	<u>\$ 830,960</u>	<u>\$ 832,460</u>	<u>\$ 1,051,240</u>	<u>\$ 218,780</u>
Student Managed Activity				
Total Revenues and Other Sources	\$ 250,000	\$ 647,418	\$ 146,794	\$ (500,624)
Total Expenditures and Other Uses	331,638	368,128	191,437	176,691
Net Change in Fund Balances	(81,638)	279,290	(44,643)	(323,933)
Unencumbered Fund Balance at Beginning of Year	194,794	194,794	194,794	-
Prior Year Encumbrances Appropriated	19,196	19,196	19,196	-
Unencumbered Fund Balance at End of Year	<u>\$ 132,352</u>	<u>\$ 493,280</u>	<u>\$ 169,347</u>	<u>\$ (323,933)</u>
Student Activity				
Total Revenues and Other Sources	\$ 758,215	\$ 808,706	\$ 552,323	\$ (256,383)
Total Expenditures and Other Uses	952,554	968,593	701,068	267,525
Net Change in Fund Balances	(194,339)	(159,887)	(148,745)	11,142
Unencumbered Fund Balance at Beginning of Year	414,803	414,803	414,803	-
Prior Year Encumbrances Appropriated	122,788	122,788	122,788	-
Unencumbered Fund Balance at End of Year	<u>\$ 343,252</u>	<u>\$ 377,704</u>	<u>\$ 388,846</u>	<u>\$ 11,142</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Data Communication				
Total Revenues and Other Sources	\$ 25,200	\$ 27,000	\$ 27,000	\$ -
Total Expenditures and Other Uses	<u>25,200</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Unencumbered Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Summer School Subsidy				
Unencumbered Fund Balance at Beginning of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Unencumbered Fund Balance at End of Year	<u><u>\$ 1,552</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ 1,552</u></u>	<u><u>\$ -</u></u>
Student Wellness and Success				
Total Revenues and Other Sources	\$ -	\$ 479,059	\$ 479,059	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>424,591</u>	<u>423,379</u>	<u>1,212</u>
Net Change in Fund Balances	-	54,468	55,680	1,212
Unencumbered Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 54,468</u></u>	<u><u>\$ 55,680</u></u>	<u><u>\$ 1,212</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total Revenues and Other Sources	\$ 35,790	\$ 54,239	\$ 54,239	\$ -
Total Expenditures and Other Uses	54,650	76,413	66,938	9,475
Net Change in Fund Balances	(18,860)	(22,174)	(12,699)	9,475
Unencumbered Fund Balance (Deficit) at Beginning of Year	(2,475)	(2,475)	(2,475)	-
Prior Year Encumbrances Appropriated	24,650	24,650	24,650	-
Unencumbered Fund Balance at End of Year	<u>\$ 3,315</u>	<u>\$ 1</u>	<u>\$ 9,476</u>	<u>\$ 9,475</u>
Elementary and Secondary School Emergency Relief				
Total Revenues and Other Sources	\$ -	\$ 705,049	\$ 81,173	\$ (623,876)
Total Expenditures and Other Uses	-	705,049	281,723	423,326
Net Change in Fund Balances	-	-	(200,550)	(200,550)
Unencumbered Fund Balance at Beginning of Year	-	-	-	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,550)</u>	<u>\$ (200,550)</u>
IDEA Part B				
Total Revenues and Other Sources	\$ 4,480,597	\$ 3,907,659	\$ 2,763,712	\$ (1,143,947)
Total Expenditures and Other Uses	2,879,523	3,405,103	2,758,227	646,876
Net Change in Fund Balances	1,601,074	502,556	5,485	(497,071)
Unencumbered Fund Balance (Deficit) at Beginning of Year	(347,682)	(347,682)	(347,682)	-
Prior Year Encumbrances Appropriated	95,296	95,296	95,296	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 1,348,688</u>	<u>\$ 250,170</u>	<u>\$ (246,901)</u>	<u>\$ (497,071)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Title I School Improvement				
Total Revenues and Other Sources	\$ -	\$ 32,500	\$ 22,032	\$ (10,468)
Total Expenditures and Other Uses	-	32,500	32,500	-
Net Change in Fund Balances	-	-	(10,468)	(10,468)
Unencumbered Fund Balance at Beginning of Year	-	-	-	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,468)</u>	<u>\$ (10,468)</u>
 Title III				
Total Revenues and Other Sources	\$ 112,753	\$ 119,256	\$ 53,740	\$ (65,516)
Total Expenditures and Other Uses	84,968	107,807	53,862	53,945
Net Change in Fund Balances	27,785	11,449	(122)	(11,571)
Unencumbered Fund Balance (Deficit) at Beginning of Year	(13,243)	(13,243)	(13,243)	-
Prior Year Encumbrances Appropriated	10,005	10,005	10,005	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 24,547</u>	<u>\$ 8,211</u>	<u>\$ (3,360)</u>	<u>\$ (11,571)</u>
 Title I				
Total Revenues and Other Sources	\$ 1,051,011	\$ 1,066,507	\$ 745,585	\$ (320,922)
Total Expenditures and Other Uses	793,894	870,562	729,128	141,434
Net Change in Fund Balances	257,117	195,945	16,457	(179,488)
Unencumbered Fund Balance (Deficit) at Beginning of Year	(55,633)	(55,633)	(55,633)	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 201,484</u>	<u>\$ 140,312</u>	<u>\$ (39,176)</u>	<u>\$ (179,488)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
IDEA Preschool Grant				
Total Revenues and Other Sources	\$ 104,590	\$ 104,615	\$ 6,603	\$ (98,012)
Total Expenditures and Other Uses	93,469	104,615	104,615	-
Net Change in Fund Balances	11,121	-	(98,012)	(98,012)
Unencumbered Fund Balance at Beginning of Year	-	-	-	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 11,121</u>	<u>\$ -</u>	<u>\$ (98,012)</u>	<u>\$ (98,012)</u>
Improving Teacher Quality				
Total Revenues and Other Sources	\$ 299,289	\$ 312,196	\$ 229,668	\$ (82,528)
Total Expenditures and Other Uses	244,879	266,717	196,516	70,201
Net Change in Fund Balances	54,410	45,479	33,152	(12,327)
Unencumbered Fund Balance (Deficit) at Beginning of Year	(88,942)	(88,942)	(88,942)	-
Prior Year Encumbrances Appropriated	43,463	43,463	43,463	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 8,931</u>	<u>\$ -</u>	<u>\$ (12,327)</u>	<u>\$ (12,327)</u>
Miscellaneous Federal Grant				
Total Revenues and Other Sources	\$ 93,792	\$ 95,113	\$ 64,934	\$ (30,179)
Total Expenditures and Other Uses	52,917	59,344	34,515	24,829
Net Change in Fund Balances	40,875	35,769	30,419	(5,350)
Unencumbered Fund Balance (Deficit) at Beginning of Year	(37,455)	(37,455)	(37,455)	-
Prior Year Encumbrances Appropriated	1,686	1,686	1,686	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ 5,106</u>	<u>\$ -</u>	<u>\$ (5,350)</u>	<u>\$ (5,350)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Orchestra Boosters				
Total Revenues and Other Sources	\$ -	\$ 19,000	\$ 33,279	\$ 14,279
Total Expenditures and Other Uses	-	31,005	9,391	21,614
Net Change in Fund Balances	-	(12,005)	23,888	35,893
Unencumbered Fund Balance at Beginning of Year	-	-	-	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (12,005)</u>	<u>\$ 23,888</u>	<u>\$ 35,893</u>
Special Olympics of Ohio				
Total Revenues and Other Sources	\$ 15,511	\$ 15,511	\$ 8,466	\$ (7,045)
Total Expenditures and Other Uses	-	-	5,176	(5,176)
Net Change in Fund Balances	15,511	15,511	3,290	(12,221)
Unencumbered Fund Balance at Beginning of Year	13,898	13,898	13,898	-
Unencumbered Fund Balance at End of Year	<u>\$ 29,409</u>	<u>\$ 29,409</u>	<u>\$ 17,188</u>	<u>\$ (12,221)</u>
Uniform School Supplies				
Total Revenues and Other Sources	\$ 656,752	\$ 676,515	\$ 753,882	\$ 77,367
Total Expenditures and Other Uses	704,217	708,208	569,402	138,806
Net Change in Fund Balances	(47,465)	(31,693)	184,480	216,173
Unencumbered Fund Balance at Beginning of Year	126,886	126,886	126,886	-
Prior Year Encumbrances Appropriated	8,305	8,305	8,305	-
Unencumbered Fund Balance at End of Year	<u>\$ 87,726</u>	<u>\$ 103,498</u>	<u>\$ 319,671</u>	<u>\$ 216,173</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public School Support				
Total Revenues and Other Sources	\$ -	\$ 167,607	\$ 62,085	\$ (105,522)
Total Expenditures and Other Uses	231,647	261,258	99,330	161,928
Net Change in Fund Balances	(231,647)	(93,651)	(37,245)	56,406
Unencumbered Fund Balance at Beginning of Year	77,658	77,658	77,658	-
Prior Year Encumbrances Appropriated	5,696	5,696	5,696	-
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ (148,293)</u>	<u>\$ (10,297)</u>	<u>\$ 46,109</u>	<u>\$ 56,406</u>
Other Local Grants				
Total Revenues and Other Sources	\$ 756,179	\$ 790,579	\$ 818,524	\$ 27,945
Total Expenditures and Other Uses	1,115,092	1,115,892	933,896	181,996
Net Change in Fund Balances	(358,913)	(325,313)	(115,372)	209,941
Unencumbered Fund Balance at Beginning of Year	535,550	535,550	535,550	-
Prior Year Encumbrances Appropriated	21,518	21,518	21,518	-
Unencumbered Fund Balance at End of Year	<u>\$ 198,155</u>	<u>\$ 231,755</u>	<u>\$ 441,696</u>	<u>\$ 209,941</u>
Termination Benefits				
Total Revenues and Other Sources	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Total Expenditures and Other Uses	180,000	270,000	269,984	16
Net Change in Fund Balances	70,000	(20,000)	(19,984)	16
Unencumbered Fund Balance at Beginning of Year	2,625,653	2,625,653	2,625,653	-
Unencumbered Fund Balance at End of Year	<u>\$ 2,695,653</u>	<u>\$ 2,605,653</u>	<u>\$ 2,605,669</u>	<u>\$ 16</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Flexible Spending Account				
Unencumbered Fund Balance at Beginning of Year	\$ 6,775	\$ 6,775	\$ 6,775	\$ -
Unencumbered Fund Balance at End of Year	<u>\$ 6,775</u>	<u>\$ 6,775</u>	<u>\$ 6,775</u>	<u>\$ -</u>
Unclaimed Funds				
Total Revenues and Other Sources	\$ 4,231	\$ 4,231	\$ 3,424	\$ (807)
Net Change in Fund Balances	4,231	4,231	3,424	(807)
Unencumbered Fund Balance at Beginning of Year	16,129	16,129	16,129	-
Unencumbered Fund Balance at End of Year	<u>\$ 20,360</u>	<u>\$ 20,360</u>	<u>\$ 19,553</u>	<u>\$ (807)</u>
PCS Agency Closeout				
Total Expenditures and Other Uses	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Net Change in Fund Balances	(5,000)	(5,000)	(5,000)	-
Unencumbered Fund Balance at Beginning of Year	29,229	29,229	29,229	-
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	<u>\$ 29,229</u>	<u>\$ 29,229</u>	<u>\$ 29,229</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
STRS Board Share				
Total Revenues and Other Sources	\$ 9,454,164	\$ 9,661,422	\$ 9,022,435	\$ (638,987)
Total Expenditures and Other Uses	<u>9,076,268</u>	<u>9,076,268</u>	<u>8,644,566</u>	<u>431,702</u>
Net Change in Fund Balances	377,896	585,154	377,869	(207,285)
Unencumbered Fund Balance (Deficit) at Beginning of Year	<u>(377,869)</u>	<u>(377,869)</u>	<u>(377,869)</u>	<u>-</u>
Unencumbered Fund Balance at End of Year	<u>\$ 27</u>	<u>\$ 207,285</u>	<u>\$ -</u>	<u>\$ (207,285)</u>
SERS Board Share				
Total Revenues and Other Sources	\$ 1,855,500	\$ 1,855,500	\$ 1,848,660	\$ (6,840)
Total Expenditures and Other Uses	<u>1,867,948</u>	<u>1,867,948</u>	<u>1,862,976</u>	<u>4,972</u>
Net Change in Fund Balances	(12,448)	(12,448)	(14,316)	(1,868)
Unencumbered Fund Balance (Deficit) at Beginning of Year	<u>(12,327)</u>	<u>(12,327)</u>	<u>(12,327)</u>	<u>-</u>
Unencumbered Fund Balance (Deficit) at End of Year	<u>\$ (24,775)</u>	<u>\$ (24,775)</u>	<u>\$ (26,643)</u>	<u>\$ (1,868)</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.

The District did not prepare a budget for the building fund, therefore no budgetary schedule is presented. The building fund also did not have any Cash basis or GAAP basis activity for revenues, expenditures or changes in fund balance, therefore a combining statement of revenues, expenditures and changes in fund balances nonmajor capital project funds is not required.

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2020

	Permanent Improvement	Building	Total Nonmajor Capital Project Funds
Assets:			
Equity in pooled cash and investments.	\$ 3,003,480	\$ -	\$ 3,003,480
Cash in segregated accounts.	-	114,669	114,669
Total assets.	\$ 3,003,480	\$ 114,669	\$ 3,118,149
Liabilities:			
Contracts payable.	\$ 344,518	\$ -	\$ 344,518
Retainage payable	-	114,669	114,669
Total liabilities.	344,518	114,669	459,187
Fund balances:			
Committed:			
Capital improvements	2,658,962	-	2,658,962
Total fund balances.	2,658,962	-	2,658,962
Total liabilities and fund balances	\$ 3,003,480	\$ 114,669	\$ 3,118,149

**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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 1,139,100	\$ 1,948,882	\$ 1,943,888	\$ (4,994)
Total Expenditures and Other Uses	3,473,995	4,511,238	4,451,492	59,746
Net Change in Fund Balances	(2,334,895)	(2,562,356)	(2,507,604)	54,752
Unencumbered Fund Balance at Beginning of Year	1,364,390	1,364,390	1,364,390	-
Prior Year Encumbrances Appropriated	1,197,966	1,197,966	1,197,966	-
Unencumbered Fund Balance at End of Year	<u>\$ 227,461</u>	<u>\$ -</u>	<u>\$ 54,752</u>	<u>\$ 54,752</u>

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

Proprietary Funds

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

Self Insurance

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

Worker's Compensation

The internal service fund accounts for monies received from other funds as payment for providing worker's compensation benefits to employees.

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Self Insurance	Worker's Compensation	Total
Assets:			
Current:			
Equity in pooled cash and investments.	\$ 8,411,807	\$ 1,236,679	\$ 9,648,486
Total assets	8,411,807	1,236,679	9,648,486
 Liabilities:			
Current:			
Claims payable	\$ 1,026,900	\$ -	\$ 1,026,900
Total liabilities	1,026,900	-	1,026,900
 Net Position:			
Unrestricted	7,384,907	1,236,679	8,621,586
Total net position	\$ 7,384,907	\$ 1,236,679	\$ 8,621,586

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

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Self Insurance	Worker's Compensation	Total
Operating revenues:			
Charges for services	\$ 17,421,390	\$ 300,000	\$ 17,721,390
Total operating revenues.	<u>17,421,390</u>	<u>300,000</u>	<u>17,721,390</u>
Operating expenses:			
Purchased services	-	14,042	14,042
Claims.	<u>15,953,829</u>	<u>103,374</u>	<u>16,057,203</u>
Total operating expenses.	<u>15,953,829</u>	<u>117,416</u>	<u>16,071,245</u>
Operating income	1,467,561	182,584	1,650,145
Nonoperating revenues:			
Refunds and reimbursements	<u>1,604</u>	<u>21,101</u>	<u>22,705</u>
Total nonoperating revenues.	<u>1,604</u>	<u>21,101</u>	<u>22,705</u>
Change in net position.	1,469,165	203,685	1,672,850
Net position at beginning of year.	<u>5,915,742</u>	<u>1,032,994</u>	<u>6,948,736</u>
Net position at end of year	<u>\$ 7,384,907</u>	<u>\$ 1,236,679</u>	<u>\$ 8,621,586</u>

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

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Self Insurance	Worker's Compensation	Total
Cash flows from operating activities:			
Cash received from charges for services.	\$ 17,421,390	\$ 300,000	\$ 17,721,390
Cash payments for contractual services	-	(14,317)	(14,317)
Cash payments for claims.	(16,520,129)	(93,499)	(16,613,628)
Net cash provided by operating activities.	<u>901,261</u>	<u>192,184</u>	<u>1,093,445</u>
Cash flows from noncapital financing activities:			
Cash received from refunds and reimbursements	<u>1,604</u>	<u>21,101</u>	<u>22,705</u>
Net cash provided by noncapital financing activities.	<u>1,604</u>	<u>21,101</u>	<u>22,705</u>
Net increase in cash and cash equivalents.	902,865	213,285	1,116,150
Cash and cash equivalents at beginning of year	7,508,942	1,023,394	8,532,336
Cash and cash equivalents at end of year.	<u>\$ 8,411,807</u>	<u>\$ 1,236,679</u>	<u>\$ 9,648,486</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,467,561	\$ 182,584	\$ 1,650,145
Changes in assets and liabilities:			
Decrease in prepayments.	-	9,875	9,875
(Decrease) in accounts payable.	-	(275)	(275)
(Decrease) in claims payable.	<u>(566,300)</u>	<u>-</u>	<u>(566,300)</u>
Net cash provided by operating activities	<u>\$ 901,261</u>	<u>\$ 192,184</u>	<u>\$ 1,093,445</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Self-Insurance				
Total Revenues	\$ 15,884,607	\$ 15,884,607	\$ 17,422,994	\$ 1,538,387
Total Expenses	<u>17,000,000</u>	<u>17,000,000</u>	<u>16,520,129</u>	<u>479,871</u>
Net Change in Fund Equity	(1,115,393)	(1,115,393)	902,865	2,018,258
Unencumbered Fund Equity at Beginning of Year	<u>7,508,942</u>	<u>7,508,942</u>	<u>7,508,942</u>	<u>-</u>
Unencumbered Fund Equity at End of Year	<u>\$ 6,393,549</u>	<u>\$ 6,393,549</u>	<u>\$ 8,411,807</u>	<u>\$ 2,018,258</u>
Worker's Compensation				
Total Revenues	\$ 549,396	\$ 549,396	321,101	\$ (228,295)
Total Expenses	<u>141,200</u>	<u>141,200</u>	<u>111,924</u>	<u>29,276</u>
Net Change in Fund Equity	408,196	408,196	209,177	(199,019)
Unencumbered Fund Equity at Beginning of Year	1,022,194	1,022,194	1,022,194	-
Prior Year Encumbrances Appropriated	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Unencumbered Fund Equity at End of Year	<u>\$ 1,431,590</u>	<u>\$ 1,431,590</u>	<u>\$ 1,232,571</u>	<u>\$ (199,019)</u>

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

Fiduciary Fund

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial 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 does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Fund

District Agency

A fund provided to account for monies collected and distributed on behalf of the Ohio High School Athletic Association (OHSAA) for tournaments held at the District.

The District had only one custodial fund and is presented in the basic financial statements.

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>Table of 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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019 (5)</u>	<u>2018</u>	<u>2017 (4)</u>
Governmental activities				
Net investment in capital assets	\$ 48,166,989	\$ 48,396,228	\$ 49,176,816	\$ 49,887,240
Restricted	16,696,831	16,144,604	14,278,882	9,768,036
Unrestricted (deficit)	(93,060,845)	(83,503,755)	(90,217,725)	(158,873,689)
Total governmental activities net position	<u>\$ (28,197,025)</u>	<u>\$ (18,962,923)</u>	<u>\$ (26,762,027)</u>	<u>\$ (99,218,413)</u>

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

(2) Amounts have been restated to reflect the implementation of GASB Statement No. 65.

(3) The District implemented GASB Statement No. 68 and 71 in 2015.
Amounts for 2014 have been restated to reflect the implementation of these statements.

(4) The District implemented GASB Statement No. 75 in 2018.
Amounts for 2017 have been restated to reflect the implementation of this statement.

(5) The District implemented GASB Statement No. 84 in 2020.
Amounts for 2019 have been restated to reflect the implementation of this statement.

Source: School District financial records.

2016	2015	2014 (3)	2013	2012 (2)	2011 (1)
\$ 48,368,374	\$ 47,937,548	\$ 49,003,234	\$ 50,969,833	\$ 49,036,160	\$ 26,012,261
12,874,772	12,892,373	13,471,914	14,188,211	15,100,633	42,658,687
(114,284,072)	(123,921,792)	(133,083,954)	14,377,478	6,287,194	1,238,352
<u>\$ (53,040,926)</u>	<u>\$ (63,091,871)</u>	<u>\$ (70,608,806)</u>	<u>\$ 79,535,522</u>	<u>\$ 70,423,987</u>	<u>\$ 69,909,300</u>

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

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

	<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 66,979,662	\$ 53,489,067	\$ 26,345,213	\$ 60,903,934
Special	22,781,914	18,136,323	9,233,045	18,673,608
Vocational	652,378	640,339	572,907	601,392
Other	4,255,868	3,479,087	2,613,626	4,417,552
Support services:				
Pupil	9,488,568	7,804,612	3,861,338	7,871,413
Instructional staff	6,671,881	5,725,467	3,264,882	5,857,404
Board of education	617,358	679,573	727,981	702,080
Administration	9,578,284	7,833,278	3,703,418	9,126,746
Fiscal	2,315,087	2,220,018	1,754,133	2,241,987
Business	482,230	577,125	338,321	440,428
Operations and maintenance	12,583,473	11,727,019	9,601,144	12,430,706
Pupil transportation	5,850,116	6,041,786	5,981,607	6,881,121
Central	1,417,976	1,174,548	425,764	1,180,050
Operation of non-instructional services:				
Food service operations	5,333,992	5,390,866	4,508,348	5,996,942
Other non-instructional services	61,253	80,777	71,401	856,439
Extracurricular activities	3,109,249	3,064,070	1,663,488	3,108,863
Interest and fiscal charges	3,146,618	3,691,172	4,372,970	4,761,166
Total governmental activities expenses	<u>155,325,907</u>	<u>131,755,127</u>	<u>79,039,586</u>	<u>146,051,831</u>

	2016	2015	2014	2013	2012 (1)	2011
\$	50,113,119	\$ 52,583,534	\$ 54,421,633	\$ 48,191,201	\$ 47,965,763	\$ 53,303,768
	15,406,568	14,636,818	13,059,009	8,872,090	8,396,846	9,164,454
	575,131	374,565	413,924	332,180	438,906	1,039,530
	3,505,283	3,352,317	3,833,072	3,852,328	3,417,335	2,973,424
	6,493,988	6,330,512	6,284,145	5,481,281	4,903,756	5,389,487
	5,831,566	6,114,863	5,024,779	6,283,346	5,487,355	7,518,291
	679,391	811,526	670,829	509,010	528,244	716,717
	8,105,447	7,614,934	7,957,351	7,878,590	8,099,300	8,301,524
	2,079,635	2,019,426	1,988,705	1,928,272	1,854,338	1,867,031
	546,554	415,695	399,604	552,441	540,477	509,414
	11,285,198	11,069,229	10,989,488	10,547,461	10,440,229	9,890,158
	6,046,787	5,848,200	5,811,014	5,335,857	5,556,206	5,621,125
	664,189	653,365	65,492	85,766	157,325	175,403
	5,258,365	4,973,348	5,067,549	4,795,927	4,480,977	4,773,849
	573,252	703,955	628,776	444,275	48,703	54,984
	2,562,454	2,498,975	2,576,374	2,435,911	2,219,007	2,777,341
	5,973,498	6,233,371	6,822,724	7,277,760	7,142,096	8,865,592
	<u>125,700,425</u>	<u>126,234,633</u>	<u>126,014,468</u>	<u>114,803,696</u>	<u>111,676,863</u>	<u>122,942,092</u>

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

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

Program Revenues	<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 1,479,876	\$ 1,120,031	\$ 1,163,702	\$ 676,650
Special	411,885	325,622	422,057	200,192
Support services:				
Instructional staff	63,075	-	-	-
Administration	608	695	749	742
Fiscal	468	-	-	-
Operations and maintenance	438,968	312,825	285,081	310,081
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Food service operations	2,420,305	2,993,395	3,063,669	2,985,243
Other non-instructional services	3,948	-	-	713,773
Extracurricular activities	1,099,989	1,576,212	1,485,926	1,434,767
Operating grants and contributions:				
Instruction:				
Regular	203,946	194,834	164,444	224,680
Special	9,500,951	8,925,551	8,267,187	7,105,068
Vocational	579,528	578,375	597,028	559,923
Other	810,493	742,053	722,665	802,537
Support services:				
Pupil	815,356	261,273	136,182	81,981
Instructional staff	444,403	421,841	238,774	232,766
Board of education	-	-	-	-
Administration	95,295	87,874	90,018	88,985
Fiscal	-	-	-	-
Operations and maintenance	14,832	788	930	4,312
Pupil transportation	485,982	384,231	415,577	384,418
Central	1,675	29	-	-
Operation of non-instructional services:				
Food service operations	2,216,359	2,257,437	2,058,609	2,028,511
Other non-instructional services	14,978	32,494	25,090	35,350
Extracurricular activities	106,441	139,436	123,773	124,642
Capital grants and contributions:				
Support services:				
Operations and maintenance	156,272	94,836	-	-
Total governmental program revenues	<u>21,365,633</u>	<u>20,449,832</u>	<u>19,261,461</u>	<u>17,994,621</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (133,960,274)</u>	<u>\$ (111,305,295)</u>	<u>\$ (59,778,125)</u>	<u>\$ (128,057,210)</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>
\$	294,156	\$ 413,703	\$ 319,741	\$ 396,667	\$ 400,762	\$ 591,367
	227,711	137,823	146,445	332,353	110,326	119,792
	-	-	-	-	-	-
	632	597	-	-	-	334
	-	-	-	-	-	-
	308,347	360,333	351,608	413,452	238,207	215,484
	-	222	-	-	-	-
	2,834,919	2,701,769	2,708,492	2,599,874	2,602,529	2,699,934
	574,057	558,214	515,010	426,313	-	-
	1,689,963	1,822,574	1,741,297	1,754,879	1,792,450	1,167,595
	1,008,051	2,326,850	1,971,431	1,206,510	1,035,249	5,574,084
	6,946,821	6,960,937	6,304,235	3,260,158	3,610,517	4,232,299
	43,705	292,581	108,287	161,459	258,492	161,459
	202,665	-	-	-	-	110,711
	126,920	199,543	177,561	280,821	156,673	906,355
	336,166	753,901	167,773	699,679	529,648	771,985
	-	-	-	-	5,993	-
	78,028	95,262	70,823	104,550	143,298	196,426
	-	-	-	-	11,070	-
	3,274	9,504	88	-	-	924
	384,176	320,815	297,878	289,399	244,477	231,061
	-	-	-	-	13,722	1,047
	1,997,622	1,691,075	1,608,529	1,731,032	1,267,175	1,462,317
	16,000	9,571	6,464	22,334	12,096	8,090
	84,757	83,911	54,240	144,887	58,518	42,975
	-	-	-	-	-	-
	<u>17,157,970</u>	<u>18,739,185</u>	<u>16,549,902</u>	<u>13,824,367</u>	<u>12,491,202</u>	<u>18,494,239</u>
	<u>\$ (108,542,455)</u>	<u>\$ (107,495,448)</u>	<u>\$ (109,464,566)</u>	<u>\$ (100,979,329)</u>	<u>\$ (99,185,661)</u>	<u>\$ (104,447,853)</u>

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

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

General Revenues and Other Changes in Net Position

Governmental activities:	<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>
Property taxes levied for:				
General purposes	\$ 38,328,520	\$ 31,316,559	\$ 43,401,120	\$ 36,471,808
Debt service	10,399,798	9,299,191	13,206,074	11,319,892
Facility maintenance	419,712	346,807	484,820	407,164
Payment in lieu of taxes	585,391	326,673	510,245	156,682
Income taxes levied for:				
General purposes	18,329,653	18,944,744	18,679,145	16,996,461
Grants and entitlements not restricted to specific programs	54,808,227	56,202,433	54,761,550	54,303,696
Investment earnings	1,746,880	1,983,158	726,129	438,626
Miscellaneous	107,991	563,647	465,428	107,128
Total governmental activities	<u>124,726,172</u>	<u>118,983,212</u>	<u>132,234,511</u>	<u>120,201,457</u>
Change in Net Position				
Governmental activities	<u>\$ (9,234,102)</u>	<u>\$ 7,677,917</u>	<u>\$ 72,456,386</u>	<u>\$ (7,855,753)</u>

(1) Amounts have been restated to reflect a restatement to GASB Statement No. 65.

(2) Amounts have been restated to reflect a restatement to GASB Statement No. 84.

Source: School District financial records.

2016	2015	2014	2013	2012 (1)	2011
\$ 36,106,097	\$ 34,979,215	\$ 35,414,027	\$ 35,135,446	\$ 29,651,216	\$ 28,516,543
11,521,302	11,887,612	12,455,646	13,164,444	12,190,336	13,419,079
406,199	393,402	396,949	390,768	350,108	376,312
125,137	139,767	125,277	250,434	152,625	231,511
16,422,435	15,672,186	15,270,666	14,590,961	14,182,466	13,646,693
53,389,530	51,554,417	46,905,607	46,307,569	45,157,451	44,587,183
400,335	202,166	107,548	109,951	91,970	206,830
222,365	183,618	219,299	141,291	142,219	104,079
<u>118,593,400</u>	<u>115,012,383</u>	<u>110,895,019</u>	<u>110,090,864</u>	<u>101,918,391</u>	<u>101,088,230</u>
<u>\$ 10,050,945</u>	<u>\$ 7,516,935</u>	<u>\$ 1,430,453</u>	<u>\$ 9,111,535</u>	<u>\$ 2,732,730</u>	<u>\$ (3,359,623)</u>

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

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

	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 67,900	\$ 48,104	\$ 95,073	\$ 91,995
Restricted	-	-	-	-
Committed	2,506,468	2,640,060	2,651,305	2,485,880
Assigned	13,135,319	6,964,800	7,395,238	5,218,714
Unassigned	16,171,006	26,868,010	31,393,847	25,721,481
Total general fund	<u>\$ 31,880,693</u>	<u>\$ 36,520,974</u>	<u>\$ 41,535,463</u>	<u>\$ 33,518,070</u>
All Other Governmental Funds:				
Nonspendable	\$ 16,332	\$ 19,495	\$ 20,041	\$ 17,289
Restricted	16,576,490	19,707,796	21,293,639	19,250,411
Committed	2,658,962	-	-	-
Unassigned (deficit)	(198,163)	-	(94,757)	(364,493)
Total all other governmental funds	<u>19,053,621</u>	<u>19,727,291</u>	<u>21,218,923</u>	<u>18,903,207</u>
Total governmental funds	<u>\$ 50,934,314</u>	<u>\$ 56,248,265</u>	<u>\$ 62,754,386</u>	<u>\$ 52,421,277</u>

Source: School District financial records.

Note: The School District implemented GASB 54 in 2011, which reclassified fund balances and some fund types into the general fund.

(1) Amounts have been restated to reflect a restatement to GASB Statement No. 84.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 78,975	\$ -	\$ 118,500	\$ 107,625	\$ 108,010	\$ 108,045
-	-	-	22,684	22,684	22,684
2,893,219	2,963,215	3,624,257	2,210,191	300,000	300,000
5,322,251	3,222,726	1,822,635	2,550,378	2,050,500	2,641,294
22,321,594	17,481,887	16,572,130	11,395,873	6,265,808	110,176
<u>\$ 30,616,039</u>	<u>\$ 23,667,828</u>	<u>\$ 22,137,522</u>	<u>\$ 16,286,751</u>	<u>\$ 8,747,002</u>	<u>\$ 3,182,199</u>
\$ 17,123	\$ 13,514	\$ 64,316	\$ 39,850	\$ 58,429	\$ 38,990
23,676,088	23,771,959	24,643,125	27,473,193	31,574,010	40,828,063
-	-	-	-	-	-
(142,138)	(246,540)	(679,630)	(244,534)	(76,568)	(204,867)
<u>23,551,073</u>	<u>23,538,933</u>	<u>24,027,811</u>	<u>27,268,509</u>	<u>31,555,871</u>	<u>40,662,186</u>
<u>\$ 54,167,112</u>	<u>\$ 47,206,761</u>	<u>\$ 46,165,333</u>	<u>\$ 43,555,260</u>	<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>

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

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

	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>
Revenues				
From local sources:				
Property taxes	\$ 49,351,888	\$ 40,868,852	\$ 57,437,155	\$ 48,381,695
Income taxes	17,786,258	18,886,565	18,523,097	16,948,460
Payment in lieu of taxes	585,391	326,673	510,245	156,682
Tuition	974,354	802,970	1,010,460	438,038
Earnings on investments	1,820,887	1,990,302	742,809	420,627
Charges for services	2,422,146	2,993,395	3,063,669	2,985,259
Extracurricular	1,134,540	1,581,266	1,492,338	1,457,508
Classroom materials and fees	843,766	631,307	575,299	438,804
Rental income	530,772	308,466	279,418	288,066
Contributions and donations	130,741	139,200	118,126	144,396
Contract services	13,544	11,376	-	713,773
Other local revenues	346,019	766,491	285,630	250,759
Intergovernmental - state	63,354,269	64,113,591	62,503,150	60,515,668
Intergovernmental - federal	6,266,283	6,062,889	5,012,930	4,950,074
Total revenues	<u>145,560,858</u>	<u>139,483,343</u>	<u>151,554,326</u>	<u>138,089,809</u>
Expenditures				
Current:				
Instruction:				
Regular	56,828,974	54,490,472	52,073,800	48,747,174
Special	21,169,854	19,763,004	18,310,972	16,676,017
Vocational	638,141	649,305	717,008	529,683
Other	4,106,046	3,644,506	3,376,383	4,219,988
Current:				
Pupil	8,777,817	8,423,637	7,787,207	6,965,065
Instructional staff	6,005,757	5,920,964	5,604,269	5,030,809
Board of education	615,711	682,154	738,604	684,374
Administration	8,996,539	8,571,179	8,428,787	8,036,957
Fiscal	2,252,980	2,306,272	2,226,843	2,119,241
Business	460,159	590,665	502,304	382,902
Operations and maintenance	11,668,854	11,635,007	12,634,488	11,265,721
Pupil transportation	5,928,926	6,263,828	6,081,627	6,487,396
Central	1,306,202	1,332,022	1,150,575	1,056,187
Operation of non-instructional services:				
Food service operations	4,663,913	4,919,787	5,114,818	5,035,655
Other non-instructional services	60,304	82,483	130,047	780,876
Extracurricular activities	2,755,114	3,140,275	2,730,110	2,716,012
Facilities acquisitions and construction	1,506,346	902,120	729,626	2,216,443
Capital outlay	1,638,763	-	258,720	2,771,341
Debt service:				
Principal retirement	6,139,808	5,881,026	6,038,167	7,393,429
Interest and fiscal charges	2,946,328	3,019,263	3,191,486	2,977,554
Bond issuance costs	-	-	-	474,553
Accretion on capital appreciation bonds	4,047,036	3,892,682	3,730,375	2,836,200
Total expenditures	<u>152,513,572</u>	<u>146,110,651</u>	<u>141,556,216</u>	<u>139,403,577</u>
Excess (deficiency) of revenues over (under) expenditures	(6,952,714)	(6,627,308)	9,998,110	(1,313,768)

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 48,311,351	\$ 47,765,095	\$ 48,582,958	\$ 48,507,280	\$ 42,782,880	\$ 41,258,734
16,389,847	15,672,186	15,188,075	14,596,621	14,139,974	13,600,552
125,137	139,767	125,277	250,434	152,625	231,511
521,867	551,526	466,186	691,700	511,088	393,460
385,481	185,133	111,370	110,194	121,009	195,227
2,834,919	2,716,953	2,708,492	2,599,874	2,602,529	2,699,934
1,279,098	1,261,700	1,274,825	1,368,600	1,319,523	1,084,725
430,256	561,693	466,472	386,279	472,927	436,836
289,588	345,149	351,608	413,452	238,207	207,801
109,640	129,055	109,366	88,835	74,891	44,207
574,057	558,214	515,010	463,633	394,464	-
645,349	323,177	299,273	309,260	277,265	211,260
59,029,977	60,108,748	52,762,757	49,940,626	66,401,300	69,553,463
5,492,170	4,328,297	4,406,656	4,110,319	6,491,029	8,288,504
<u>136,418,737</u>	<u>134,646,693</u>	<u>127,368,325</u>	<u>123,837,107</u>	<u>135,979,711</u>	<u>138,206,214</u>

45,695,863	48,293,659	45,750,261	42,339,621	43,181,514	46,784,345
15,618,619	15,066,535	12,356,400	8,538,566	8,155,136	8,878,709
545,041	382,690	411,316	308,389	418,464	1,061,573
3,504,538	3,346,363	3,721,804	3,833,367	3,410,655	2,966,744
6,482,670	6,386,634	5,969,392	5,265,106	4,787,908	5,217,514
5,510,701	5,925,934	4,473,080	5,818,828	5,102,064	7,130,627
679,617	809,811	651,376	506,489	522,884	711,357
8,096,425	7,740,925	7,530,249	7,656,407	7,954,131	8,240,838
2,079,279	2,000,231	1,925,144	1,926,529	1,854,292	1,865,065
548,354	410,323	390,550	546,366	535,674	502,468
10,804,094	10,600,602	10,202,628	10,084,344	9,991,213	9,648,741
5,890,346	5,709,630	5,499,852	5,130,192	5,385,979	5,445,342
690,051	636,445	63,593	85,341	165,403	175,442
4,590,200	4,266,390	4,163,019	4,003,238	3,839,705	4,180,731
676,954	693,780	610,543	442,074	48,703	54,984
2,432,250	2,363,041	2,350,863	2,263,488	2,053,384	2,585,584
1,369,456	2,020,178	3,437,010	6,652,260	27,039,867	18,928,748
174,356	1,520,417	1,669,919	925,275	-	-
9,843,366	8,842,905	10,185,887	10,000,103	9,770,591	9,030,543
4,400,562	5,419,681	5,065,285	5,184,012	5,303,656	5,438,927
145,182	320,256	-	-	-	-
-	-	-	-	-	-
<u>129,777,924</u>	<u>132,756,430</u>	<u>126,428,171</u>	<u>121,509,995</u>	<u>139,521,223</u>	<u>138,848,282</u>

6,640,813	1,890,263	940,154	2,327,112	(3,541,512)	(642,068)
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**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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

	<u>2020</u>	<u>2019 (1)</u>	<u>2018</u>	<u>2017</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,264,250	\$ 967,900	\$ 1,000,000	\$ 791,388
Transfers (out)	(1,264,250)	(967,900)	(1,000,000)	(791,388)
Insurance proceeds	-	-	76,279	-
Premium on refunding bonds	-	-	-	960,919
Sale of capital assets	-	-	-	1,633
Issuance of refunding bonds	-	-	-	57,755,000
Capital lease transaction	960,433	-	-	1,385,157
Payment to refunding bond escrow agent	-	-	-	(61,920,960)
Lease purchase transaction	678,330	-	258,720	1,386,184
Total other financing sources (uses)	<u>1,638,763</u>	<u>-</u>	<u>334,999</u>	<u>(432,067)</u>
Net change in fund balances	<u>\$ (5,313,951)</u>	<u>\$ (6,627,308)</u>	<u>\$ 10,333,109</u>	<u>\$ (1,745,835)</u>
Capital expenditures	\$ 3,035,594	\$ 1,257,916	\$ 1,427,433	\$ 605,553
Debt service as a percentage of noncapital expenditures	8.79%	8.83%	9.25%	9.52%

Source: School District financial records.

Note: Lease purchase transaction amount reflected for 2017 have been reclassified to correctly present capital lease transactions separate from lease purchase transactions.

(1) Amounts have been restated to reflect a restatement to GASB Statement No. 84.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 750,000	\$ 2,175,706	\$ 1,000,000	\$ 1,397,457	\$ 1,100,000	\$ -
(750,000)	(4,188,219)	(1,000,000)	(1,397,457)	(1,100,000)	-
-	-	-	-	-	-
1,176,960	3,339,125	-	-	-	-
-	-	-	-	-	-
8,805,000	27,875,000	-	-	-	-
-	-	-	-	-	-
(9,836,778)	(31,570,864)	-	-	-	-
174,356	1,520,417	1,669,919	925,275	-	-
<u>319,538</u>	<u>(848,835)</u>	<u>1,669,919</u>	<u>925,275</u>	<u>-</u>	<u>-</u>
<u>\$ 6,960,351</u>	<u>\$ 1,041,428</u>	<u>\$ 2,610,073</u>	<u>\$ 3,252,387</u>	<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>
\$ 727,746	\$ 1,741,107	\$ 269,320	\$ 7,086,162	\$ 26,855,794	\$ 17,295,601
11.04%	10.89%	12.09%	13.27%	13.38%	11.90%

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

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

Tax Year/ Collection Year	Real Property (A)		Tangible Personal Property (B)		Public Utility (C)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2019/2020	\$ 1,493,605,880	\$ 4,267,445,371	\$ -	\$ -	\$ 30,273,440	\$ 121,093,760
2018/2019	1,245,805,440	3,559,444,114	-	-	26,389,680	105,558,720
2017/2018	1,222,835,740	3,493,816,400	-	-	23,973,550	95,894,200
2016/2017	1,194,140,970	3,411,831,343	-	-	21,581,640	86,326,560
2015/2016	1,120,904,800	3,202,585,143	-	-	21,084,440	84,337,760
2014/2015	1,096,505,620	3,132,873,200	-	-	19,304,470	77,217,880
2013/2014	1,085,034,410	3,100,098,314	-	-	18,770,810	75,083,240
2012/2013	1,111,113,150	3,174,609,000	-	-	18,106,270	72,425,080
2011/2012	1,098,339,860	3,138,113,886	-	-	14,927,250	59,709,000
2010/2011	1,101,144,820	3,146,128,057	415,910	1,663,640	14,451,250	57,805,000

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.

Total				
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%	
\$ 80.30	\$ 1,523,879,320	\$ 4,388,539,131	34.72%	
82.70	1,272,195,120	3,665,002,834	34.71%	
82.70	1,246,809,290	3,589,710,600	34.73%	
83.20	1,215,722,610	3,498,157,903	34.75%	
83.60	1,141,989,240	3,286,922,903	34.74%	
84.70	1,115,810,090	3,210,091,080	34.76%	
84.70	1,103,805,220	3,175,181,554	34.76%	
85.40	1,129,219,420	3,247,034,080	34.78%	
85.90	1,113,267,110	3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	

**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	Montgomery Township- City of Columbus	Violet Township- City of Columbus	Pickerington Local School District				
							Voted			Classroom Facilities	Unvoted
General	Bond										
2019/2020	19.12	12.70	7.80	0.70	2.90	2.30	67.70	7.60	0.50	4.50	80.30
2018/2019	18.92	11.40	7.80	0.70	2.90	2.30	67.70	10.00	0.50	4.50	82.70
2017/2018	18.92	11.40	7.80	0.70	2.90	2.30	67.70	10.00	0.50	4.50	82.70
2016/2017	18.47	10.40	7.80	0.70	2.90	2.30	67.70	10.50	0.50	4.50	83.20
2015/2016	18.47	10.40	7.80	0.70	2.90	2.30	67.70	10.90	0.50	4.50	83.60
2014/2015	18.47	8.55	7.80	0.70	2.90	2.30	67.70	12.00	0.50	4.50	84.70
2013/2014	18.47	8.55	7.80	0.70	2.90	2.30	67.70	12.00	0.50	4.50	84.70
2012/2013	18.47	8.55	7.80	0.70	2.30	2.30	67.70	12.70	0.50	4.50	85.40
2011/2012	18.07	8.55	7.80	0.70	2.90	2.30	67.70	13.20	0.50	4.50	85.90
2010/2011	18.07	8.55	7.80	0.70	2.90	2.30	62.20	13.50	0.50	4.50	80.70

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
27.05	26.45	19.35	16.15	14.47	1.25	2.00
27.05	26.45	19.35	16.15	14.47	0.75	2.00
27.05	26.45	19.35	16.15	14.47	0.75	2.00
27.05	26.45	19.35	16.15	14.47	0.75	2.00
27.05	26.45	17.85	16.15	11.57	0.75	2.00
21.80	21.20	17.85	16.15	11.57	0.75	2.00
21.80	21.20	14.05	12.35	11.57	0.75	2.00
21.80	21.20	14.05	12.35	11.57	0.75	2.00
21.80	21.20	14.05	12.35	11.57	0.85	2.00
21.80	21.20	14.05	12.35	11.57	0.87	2.00

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2019 AND DECEMBER 31, 2010

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
South Central Power Company	\$ 9,072,210	1	0.60%
Creekside Acquisition	7,150,430	2	0.47%
Brentwood Lake Apartments	6,100,740	3	0.40%
Columbia Gas Transmission LLC	6,073,680	4	0.40%
Pickerington Ridge	5,633,270	5	0.37%
Kroger Company	5,593,700	6	0.37%
Ohio Power Company	5,567,860	7	0.37%
AERC Turnberry Holdings, LLC	5,145,750	8	0.34%
Overland Park LLC	4,744,770	9	0.31%
Dominion Transmission Inc	4,463,440	10	0.29%
Total	<u>\$ 59,545,850</u>		<u>\$ 1,523,879,320</u>

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
ANYI Apartments LLC	\$ 8,120,010	1	0.73%
Target Corporation	6,779,780	2	0.61%
Pickerington Apartments LLC	6,232,070	3	0.56%
South Central Power Company	5,847,390	4	0.52%
Regency Centers LP	5,583,700	5	0.50%
Lakes Edge	5,057,920	6	0.45%
Creekside I Acquisitions LLC	5,041,730	7	0.45%
B&G Realty Inc	4,517,800	8	0.40%
Ohio Retail II LL LLC	4,295,640	9	0.38%
Pickerington Square LP	4,102,440	10	0.37%
Total	<u>\$ 55,578,480</u>		<u>\$ 1,116,011,980</u>

Source: Fairfield County Auditor's Office

**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)
2019/2020	\$ 56,851,575	\$ 56,273,410	98.98%	\$ 593,815	\$ 56,867,225	100.03%
2018/2019	55,655,724	55,077,888	98.96%	879,203	55,957,091	100.54%
2017/2018	54,537,108	53,817,665	98.68%	623,734	54,441,399	99.82%
2016/2017	53,130,966	52,301,504	98.44%	877,108	53,178,612	100.09%
2015/2016	53,225,140	52,090,420	97.87%	946,409	53,036,829	99.65%
2014/2015	52,557,912	51,603,193	98.18%	940,015	52,543,208	99.97%
2013/2014	51,574,634	50,546,135	98.01%	1,014,241	51,560,376	99.97%
2012/2013	53,150,255	52,056,550	97.94%	983,980	53,040,530	99.79%
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%

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		(A) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Lease Obligations				
2020	\$ 87,148,648	\$ 2,414,890	\$ 89,563,538	\$ 1,711	\$ 8,506	4.56%
2019	96,474,061	1,742,971	98,217,032	1,876	9,402	5.00%
2018	105,188,915	2,431,679	107,620,594	2,093	10,445	5.72%
2017	113,447,995	2,961,501	116,409,496	2,301	11,376	6.62%
2016	125,743,239	1,632,278	127,375,517	2,553	12,604	7.47%
2015	132,316,895	2,866,287	135,183,182	2,722	13,222	8.08%
2014	136,565,316	2,685,485	139,250,801	2,833	13,672	8.35%
2013	144,313,990	1,841,453	146,155,443	2,989	14,316	9.03%
2012	152,261,604	1,016,281	153,277,885	3,184	14,903	9.58%
2011	160,256,317	1,096,872	161,353,189	3,425	15,211	10.66%

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 Position Restricted for Debt Service	Net Bonded Debt		
2020	\$ 87,148,648	\$ 12,836,888	\$ 74,311,760	1.69%	\$ 1,419
2019	96,474,061	9,420,837	87,053,224	2.38%	1,663
2018	105,188,915	7,708,125	97,480,790	2.72%	1,895
2017	113,447,995	2,647,559	110,800,436	3.17%	2,191
2016	125,743,239	4,317,198	121,426,041	3.69%	2,434
2015	132,316,895	3,645,002	128,671,893	4.01%	2,590
2014	136,565,316	3,562,647	133,002,669	4.19%	2,706
2013	144,313,990	2,683,248	141,630,742	4.36%	2,896
2012	152,261,604	1,039,877	151,221,727	4.73%	3,141
2011	160,256,317	134,203	160,122,114	5.00%	3,399

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, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 89,563,538	100.00%	\$ 89,563,538
	<u>89,563,538</u>		<u>89,563,538</u>
Overlapping debt:			
Fairfield County	4,832,579	33.61%	1,624,230
Franklin County	180,820,000	0.07%	126,574
City of Canal Winchester	5,450,000	0.05%	2,725
City of Columbus	1,641,165,000	1.08%	17,724,582
City of Pickerington	12,465,000	99.15%	12,359,048
Madison Township	1,840,000	0.37%	6,808
Violet Township	9,580,000	94.32%	9,035,856
Eastland-Fairfield Career & Technical JVS District	700,000	16.45%	115,150
Solid Waste Authority of Central Ohio	63,005,000	0.65%	409,533
	<u>1,919,857,579</u>		<u>41,404,506</u>
Total direct and overlapping debt	<u>\$ 2,009,421,117</u>		<u>\$ 130,968,044</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.

**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
2020	\$ 137,149,139	\$ 83,580,000	\$ 12,863,190	\$ 70,716,810	\$ 66,432,329	51.56%
2019	114,497,561	88,752,964	13,174,040	75,578,924	38,918,637	66.01%
2018	112,212,836	93,945,282	14,654,908	79,290,374	32,922,462	70.66%
2017	109,415,035	99,194,907	12,080,013	87,114,894	22,300,141	79.62%
2016	102,779,032	108,043,707	15,115,600	92,928,107	9,850,925	90.42%
2015	100,422,908	114,722,013	14,966,650	99,755,363	667,545	99.34%
2014	99,342,470	121,582,555	15,116,501	106,466,054	(7,123,584)	107.17%
2013	101,629,748	127,739,785	15,482,227	112,257,558	(10,627,810)	110.46%
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%

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 District 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>Total Residents in District Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates</u>		
						<u>Fairfield County</u>	<u>Ohio</u>	<u>United States</u>
2020	52,359	\$ 37,520	\$1,964,509,680	36.4	10,530	4.3%	5.6%	6.9%
2019	52,359	37,520	1,964,509,680	36.4	10,446	3.6%	4.2%	3.6%
2018	51,429	36,568	1,880,655,672	36.1	10,304	4.3%	4.6%	3.7%
2017	50,582	34,773	1,758,887,886	35.8	10,233	4.2%	5.1%	4.1%
2016	49,892	34,195	1,706,056,940	36.5	10,106	3.9%	4.9%	4.9%
2015	49,671	33,699	1,673,863,029	36.3	10,224	3.7%	4.2%	4.8%
2014	49,146	33,935	1,667,769,510	36.4	10,185	4.0%	5.3%	5.8%
2013	48,904	33,098	1,618,624,592	36.4	10,209	6.3%	7.2%	7.4%
2012	48,147	33,242	1,600,502,574	36.1	10,285	5.6%	6.9%	7.9%
2011	47,105	32,124	1,513,201,020	34.7	10,608	7.5%	9.0%	9.0%

(1) U. S. Census Bureau, Pickerington School District

(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: Population column was adjusted in fiscal year 2020 to reflect total residents in the District instead of just the population of the City of Pickerington. This change in population adjustment also updated the per capital personal income, total personal income and median age. The District feels these amounts more accurate reflect the District demographic and economic information.

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

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

Employer	December 31, 2019		
	Employees	Rank	Percentage of Total City Employment
Pickerington Local School District	1,358	1	13.35%
OhioHealth Corporation	496	2	4.88%
Kroger Company, Inc.	400	3	3.93%
Kohl's Department Store	378	4	3.72%
Roosters	305	5	3.00%
Cracker Barrel Restaurant	296	6	2.91%
Tamarkin Co. Inc.	240	7	2.36%
Wendys	223	8	2.19%
Marcus Cinemas of Ohio LLC	167	9	1.64%
Hawthorn Senior Living	152	10	1.49%
Total	4,015		39.47%
Total Employment within the City	10,169		

Employer	December 31, 2011		
	Employees	Rank	Percentage of Total City Employment
Pickerington Local School District	1,231	1	12.11%
Kroger Company, Inc.	270	2	2.66%
Kohl's Department Stores, Inc.	267	3	2.63%
Cracker Barrel Restaurant	257	4	2.53%
Tamarkin Co. Inc.	252	5	2.48%
Kindred Nursing Home	154	6	1.51%
City of Pickerington	146	7	1.44%
Steak N' Shake	137	8	1.35%
Wendys	126	9	1.24%
Bob Evans Farms Inc.	106	10	1.04%
Total	2,946		28.99%
Total Employment within the City	8,562		

Source: City of Pickerington CAFR

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

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

Type	2020	2019	2018	2017	2016 (2)	2015	2014	2013	2012	2011
Office - administrative	76.84	78.17	78.00	76.20	53.50	51.32	49.50	44.00	42.50	43.00
Professional - educational	676.07	666.87	649.98	631.67	634.96	630.50	614.43	598.43	587.89	654.00
Professional - other	28.60	26.00	27.44	25.61	23.00	23.10	20.30	23.70	23.70	30.30
Technical	24.07	20.55	20.19	17.96	17.21	21.25	17.34	15.47	16.00	18.50
Office - clerical	133.59	132.89	126.09	123.09	110.93	107.23	105.05	98.56	109.65	126.30
Craft & trade	11.00	12.00	12.00	10.00	11.00	11.07	8.00	12.00	10.00	13.00
Service worker/laborer	149.93	156.73	154.35	151.37	142.29	141.33	136.07	129.82	138.17	136.70
Total	1,100.10	1,093.21	1,068.05	1,035.90	992.89	985.80	950.69	921.98	927.91	1,021.80

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	491.51	477.01	464.44	459.84	446.58	442.65	471.58	438.20	452.85	520.50
Special	125.00	117.49	125.81	126.00	100.50	98.76	93.50	86.53	83.00	97.20
Vocational	13.00	12.00	1.00	1.00	1.00	2.50	4.20	4.20	2.00	11.00
Support Services:										
Pupil	247.90	251.67	244.45	231.09	231.09	235.77	183.22	186.27	182.72	183.20
Instructional staff	25.50	27.65	27.00	24.00	24.00	19.00	20.40	21.00	26.50	26.50
Administration	53.50	55.94	56.75	54.68	50.19	47.19	43.00	46.75	42.71	43.60
Fiscal	7.75	7.75	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Operations and maintenance	89.18	93.66	89.38	81.06	83.31	86.52	82.25	86.37	85.38	87.40
Food service operations	44.76	48.04	49.22	48.23	46.22	43.41	42.54	42.66	42.75	42.40
Total Governmental Activities	1,100.10	1,093.21	1,068.05	1,035.90	992.89	985.80	950.69	921.98	927.91	1,021.80

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): Modifications to the state's EMIS system have resulted in improved employee reporting.
- (2): Numbers reflect re-classifying some employees as administrators to better reflect EMIS coding.

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

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular and Special										
Enrollment (students) *	10,530	10,446	10,304	10,233	10,106	10,224	10,185	10,209	10,285	10,608
Graduates	900	883	771	816	845	780	735	791	847	844
Support services:										
Board of education										
Regular meetings per year	23	21	23	25	23	23	24	22	21	19
Special meetings per year	8	6	4	7	4	5	3	8	11	14
Administration										
Nonpayroll checks issued	6,039	7,483	5,957	5,728	5,699	5,384	5,261	5,137	5,265	5,690
Pupil transportation										
Avg. students transported daily	6,225	5,802	5,742	5,645	5,665	5,577	5,499	5,739	5,676	5,841
Food service operations										
Meals served to students	1,209,300	1,173,989	1,199,483	1,243,230	1,267,056	1,217,244	1,193,867	1,085,356	1,091,064	1,157,080
Percentage free lunches	45.96%	38.20%	35.58%	34.48%	34.39%	33.43%	30.71%	28.44%	N/A	N/A
Percentage reduced lunches	6.88%	6.91%	6.34%	5.97%	6.09%	6.51%	6.12%	5.28%	N/A	N/A

* 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.

Source: District records

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

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480
Land improvements	7,715,230	7,287,358	7,977,640	8,403,036
Buildings and improvements	113,145,294	119,225,349	125,374,970	131,201,596
Furniture and equipment	2,711,073	1,853,267	2,174,046	2,350,441
Vehicles	1,039,332	991,140	779,194	810,851
Construction in progress	733,520	651,534	172,626	-
Total Governmental Activities				
Capital Assets, net	<u>\$ 134,529,929</u>	<u>\$ 139,194,128</u>	<u>\$ 145,663,956</u>	<u>\$ 151,951,404</u>

Source: School District financial records.

(1) Amounts for fiscal year 2012 have been restated due to a new appraisal performed by the District.

Note: Amounts above are presented net of accumulated depreciation.

2016	2015	2014	2013	2012 (1)	2011
\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,300,237
8,996,384	9,901,311	10,499,004	11,406,066	12,318,155	11,612,655
136,852,772	143,107,191	149,498,761	155,897,125	156,486,259	120,185,213
2,083,002	2,579,716	3,019,734	3,544,974	3,084,058	1,695,973
1,096,287	692,943	574,525	572,976	765,986	774,935
971,689	971,689	-	-	-	19,821,028
<u>\$ 159,185,614</u>	<u>\$ 166,438,330</u>	<u>\$ 172,777,504</u>	<u>\$ 180,606,621</u>	<u>\$ 181,839,938</u>	<u>\$ 163,390,041</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018 (1)</u>	<u>2017</u>
Heritage Elementary (1907)				
Square feet	92,686	92,686	92,686	92,544
Capacity (students)	771	771	771	771
Enrollment	341	333	347	336
Fairfield Elementary (1980)				
Square feet	52,289	52,289	52,289	48,435
Capacity (students)	387	387	387	387
Enrollment	484	498	503	489
Pickerington Elementary (1977)				
Square feet	50,509	50,509	50,509	46,516
Capacity (students)	572	572	572	572
Enrollment	424	435	453	483
Tussing Elementary (1996)				
Square feet	76,691	76,691	76,691	75,501
Capacity (students)	653	653	653	653
Enrollment	540	529	555	560
Violet Elementary (1977)				
Square feet	50,509	50,509	50,509	46,516
Capacity (students)	372	372	372	372
Enrollment	474	475	461	476
Diley Middle School (2000)				
Square feet	95,616	95,616	95,616	94,951
Capacity (students)	693	693	693	693
Enrollment	593	582	629	642
Harmon Middle School (2000)				
Square feet	93,048	93,048	93,048	89,211
Capacity (students)	656	656	656	656
Enrollment	511	504	537	487
Ridgeview Junior High School (1968)				
Square feet	99,442	99,442	99,442	115,851
Capacity (students)	821	821	821	821
Enrollment	921	912	908	916
Lakeview Junior High School (2003)				
Square feet	140,904	140,904	140,904	142,082
Capacity (students)	1,008	1,008	1,008	1,008
Enrollment	837	783	755	787
Pickerington Central High School (1991)				
Square feet	261,099	261,099	261,099	261,099
Capacity (students)	1,471	1,471	1,471	1,471
Enrollment	1,752	1,726	1,712	1,714
Pickerington North High School (2003)				
Square feet	313,761	313,761	313,761	323,473
Capacity (students)	1,937	1,937	1,937	1,937
Enrollment	1,586	1,628	1,638	1,665
Pickerington Alternative School (2017)				
Square feet	9,712	9,712	9,712	N/A
Capacity (students)	200	200	200	N/A
Enrollment	110	107	89	N/A
Sycamore Creek Elementary (2009)				
Square feet	86,695	86,695	86,695	86,695
Capacity (students)	750	750	750	750
Enrollment	617	595	603	614
Toll Gate Elementary (2009)				
Square feet	86,695	86,695	86,695	86,695
Capacity (students)	774	774	774	774
Enrollment	727	715	641	620
Toll Gate Middle School (2009)				
Square feet	101,867	101,867	101,867	101,867
Capacity (students)	800	800	800	800
Enrollment	613	624	474	444
Total enrollment by year	10,530	10,446	10,304	10,233

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 OFCC.

(1) During 2018, building square footage totals were updated to agree with information presented in the EMIS system.

2016	2015	2014	2013	2012	2011
92,544	92,544	92,544	92,544	92,544	92,544
771	771	771	771	771	771
333	357	416	417	392	423
48,435	48,435	48,435	48,435	48,435	48,435
387	387	387	387	387	387
460	453	457	439	431	507
46,516	46,516	46,516	46,516	46,516	46,516
572	572	572	572	572	572
430	463	544	527	512	551
75,501	75,501	75,501	75,501	75,501	75,501
653	653	653	653	653	653
492	525	555	556	596	634
46,516	46,516	46,516	46,516	46,516	46,516
372	372	372	372	372	372
449	457	346	369	406	368
94,951	94,951	94,951	94,951	94,951	94,951
693	693	693	693	693	693
576	618	580	550	542	546
89,211	89,211	89,211	89,211	89,211	89,211
656	656	656	656	656	656
472	535	566	598	615	592
115,851	115,851	115,851	115,851	115,851	115,851
821	821	821	821	821	821
877	866	860	821	841	870
142,082	142,082	142,082	142,082	142,082	142,082
1,008	1,008	1,008	1,008	1,008	1,008
847	857	864	836	862	908
261,099	261,099	261,099	261,099	261,099	245,652
1,471	1,471	1,471	1,471	1,471	1,471
1,693	1,618	1,630	1,630	1,633	1,647
323,473	323,473	323,473	323,473	323,473	323,473
1,937	1,937	1,937	1,937	1,937	1,937
1,677	1,671	1,686	1,782	1,759	1,838
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
86,695	86,695	86,695	86,695	86,695	86,695
750	750	750	750	750	750
637	656	689	693	689	704
86,695	86,695	86,695	86,695	86,695	86,695
774	774	774	774	774	774
603	567	509	508	536	559
101,867	101,867	101,867	101,867	101,867	101,867
800	800	800	800	800	800
560	581	483	483	471	461
10,106	10,224	10,185	10,209	10,285	10,608

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

**EDUCATIONAL INDICATORS
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
3rd Grade Achievement (Initiated March, 2005)										
Reading/ELA	49.9%	80.7%	81.2%	79.8%	73.5%	90.1%	90.1%	90.3%	88.8%	87.4%
Mathematics	NR	83.6%	83.7%	86.8%	85.3%	90.0%	90.0%	88.1%	88.5%	87.6%
4th Grade Proficiency/Achievement (Initiated March, 1995)										
Reading/ELA	NR	80.8%	77.4%	80.6%	73.9%	94.1%	94.1%	95.6%	89.2%	90.7%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	N/A	N/A	N/A	85.5%	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	NR	90.1%	87.0%	90.4%	87.6%	85.4%	85.4%	90.9%	87.1%	86.6%
5th Grade Achievement (Initiated March, 2005)										
Reading/ELA	NR	78.6%	82.3%	84.6%	74.0%	82.4%	82.4%	85.8%	89.3%	88.8%
Mathematics	NR	79.5%	80.0%	79.2%	83.2%	78.8%	78.8%	82.7%	84.3%	79.1%
Science	NR	78.2%	82.2%	81.1%	81.8%	79.8%	79.8%	82.7%	86.7%	84.9%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6th Grade Proficiency/Achievement (Initiated March, 1996)										
Reading/ELA	NR	70.6%	74.5%	79.6%	68.3%	93.2%	93.2%	93.0%	96.6%	94.6%
Social Studies	N/A	N/A	N/A	77.6%	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	NR	71.0%	72.3%	75.0%	73.4%	87.3%	87.3%	88.1%	91.9%	88.7%
7th Grade Achievement (Initiated March, 2005)										
Reading/ELA	NR	84.2%	82.4%	74.6%	61.7%	91.0%	91.0%	91.6%	93.0%	89.2%
Mathematics	NR	69.9%	74.7%	66.0%	48.0%	71.7%	71.7%	80.6%	80.4%	79.4%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8th Grade Achievement (Initiated March, 2005)										
Reading/ELA	NR	75.5%	63.8%	65.1%	58.6%	95.2%	95.2%	93.2%	92.8%	94.3%
Mathematics	NR	67.4%	47.3%	53.8%	49.0%	87.0%	87.0%	84.6%	86.6%	83.2%
Science	NR	85.1%	78.1%	75.9%	77.2%	77.8%	77.8%	80.6%	82.8%	78.1%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10th Grade Ohio Graduation Test (OGT): (Initiated March, 2005)										
Reading	N/A	N/A	N/A	N/A	N/A	95.3%	95.3%	95.2%	94.1%	93.6%
Writing	N/A	N/A	N/A	N/A	N/A	95.1%	95.1%	91.5%	92.9%	95.2%
Mathematics	N/A	N/A	N/A	N/A	N/A	89.9%	89.9%	92.6%	90.3%	91.0%
Science	N/A	N/A	N/A	N/A	N/A	88.1%	88.1%	88.1%	88.1%	85.4%
Social Studies	N/A	N/A	N/A	N/A	N/A	91.3%	91.3%	91.7%	90.2%	89.7%
11th Grade Ohio Graduation Test (OGT):										
Reading	N/A	N/A	N/A	N/A	79.9%	N/A	N/A	N/A	N/A	N/A
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	N/A	N/A	N/A	N/A	95.4%	N/A	N/A	N/A	N/A	N/A
Science	N/A	N/A	N/A	N/A	93.7%	N/A	N/A	N/A	N/A	N/A
Social Studies	N/A	N/A	N/A	N/A	96.6%	N/A	N/A	N/A	N/A	N/A
High School End of Course Exams: (Initiated 2015-16)										
Algebra I	47.1%	67.6%	74.1%	53.4%	57.0%	N/A	N/A	N/A	N/A	N/A
American US Government	73.9%	72.3%	77.5%	65.5%	46.2%	N/A	N/A	N/A	N/A	N/A
American US History	67.8%	80.2%	75.5%	75.3%	83.6%	N/A	N/A	N/A	N/A	N/A
Biology	77.8%	85.5%	86.6%	75.8%	NC	N/A	N/A	N/A	N/A	N/A
English Lanauage Arts I	60.0%	81.3%	77.6%	74.6%	61.9%	N/A	N/A	N/A	N/A	N/A
English Language Arts II	68.4%	76.8%	78.6%	66.0%	62.6%	N/A	N/A	N/A	N/A	N/A
EOC Improvement Indicator	22.3%	36.5%	39.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geometry	34.9%	65.1%	55.3%	51.7%	47.2%	N/A	N/A	N/A	N/A	N/A
Mathematics I	NC	NC	NC	NC	NC	N/A	N/A	N/A	N/A	N/A
Mathematics II	NC	NC	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Physical Science	N/A	N/A	N/A	N/A	42.2%	N/A	N/A	N/A	N/A	N/A
ODE Per Pupil Costs¹										
Pickerington	\$ 9,837	\$ 9,645	N/A	N/A	N/A	\$ 10,974	\$ 10,230	\$ 9,435	\$ 9,520	\$ 9,865
State	\$ 9,883	\$ 9,721	N/A	N/A	N/A	\$ 10,985	\$ 10,913	\$ 10,446	\$ 10,597	\$ 10,571
Pupil/Teacher Ratio	16.73	17.22	17.43	17.44	18.44	18.80	17.89	N/A	N/A	N/A
Student Attendance Rate	96.1%	94.8%	93.8%	95.2%	95.3%	95.4%	95.4%	>95%	95.8%	95.5%
High School Graduation Rate	96.7%	95.3%	96.7%	98.1%	97.7%	95.4%	95.4%	95.0%	91.2%	96.6%
Drop Out Rate	4.66%	1.67%	2.54%	3.37%	2.67%	1.38%	N/A	N/A	N/A	N/A
Performance Standards										
Pickerington	NR	11	10	6	15	20	20	24	26	26
Number of Standards	NR	24	24	24	29	24	24	24	26	26
Performance Index Score	NR	96.0	94.2	78.7	90.5	102.3	102.3	103.3	103.5	102.8
Rating	N/A	N/A	N/A	N/A	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction
Overall Grade Achievement	NR	B	B	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gap Closing	NR	A	A	B	C	N/A	N/A	N/A	N/A	N/A
Improving At-Risk K-3 Readers Progress	NR	C	C	C	D	N/A	N/A	N/A	N/A	N/A
Graduation Rate	NR	B	C	C	D	N/A	N/A	N/A	N/A	N/A
Prepared for Success	NR	A	A	A	A	N/A	N/A	N/A	N/A	N/A

Note: Data for items marked "N/A" are either unavailable, not applicable or no longer computed for the respective reporting period. For the 2019-2020 school year, the Coronavirus Pandemic eliminated most state testing. The state issued 'Not Reported' grades for nearly all of the 2019-2020 School Report Card data. Any reported testing results were severely impacted by the Coronavirus shutdown.

Sources: School District records and Ohio Department of Education

¹Effective - this represented the highest rating a school district could achieve in this school year.

²Beginning in 2019, ODE reports total operational expenditures per pupil.

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Governmental Activities	Enrollment (2)	Percent Change	Teaching Staff
	Expenditures (1)	Expenses (1)			
2020	\$ 139,380,400	\$ 152,179,289	10,530	0.80%	705
2019	133,317,680	128,063,955	10,446	1.38%	693
2018	128,596,188	74,666,616	10,304	0.69%	677
2017	125,721,841	141,290,665	10,233	1.26%	667
2016	115,388,814	119,726,927	10,106	-1.15%	630
2015	118,173,588	120,001,262	10,224	0.38%	630
2014	111,176,999	119,191,744	10,185	-0.24%	630
2013	106,325,880	107,525,936	10,209	-0.74%	618
2012	124,446,976	104,534,767	10,285	-3.04%	613
2011	124,378,812	114,076,500	10,608	0.53%	688

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

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

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

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**PICKERINGTON LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(E) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Child Nutrition Cluster:			
(C) School Breakfast Program	10.553	2020	\$ 259,302
(C) School Breakfast Program - COVID 19	10.553	2020	22,834
Total School Breakfast Program			<u>282,136</u>
(D) National School Lunch Program - Food Donation	10.555	2020	337,249
(C) National School Lunch Program	10.555	2020	1,031,333
(C) National School Lunch Program - COVID 19	10.555	2020	85,817
Total National School Lunch Program			<u>1,454,399</u>
(C) Summer Food Service Program for Children	10.559	2020	44,089
(C) Summer Food Service Program for Children - COVID 19	10.559	2020	278,826
Total Summer Food Service Program for Children			<u>322,915</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>2,059,450</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION			
Title I Grants to Local Educational Agencies	84.010	2019	159,684
Title I Grants to Local Educational Agencies	84.010	2020	584,534
Total Title I Grants to Local Educational Agencies			<u>744,218</u>
Special Education Cluster (IDEA):			
Special Education_Grants to States	84.027	2019	232,772
Special Education_Grants to States - Restoration	84.027	2019	7,378
Special Education_Grants to States	84.027	2020	1,588,382
Special Education_Grants to States - Restoration	84.027	2020	818,873
Total Special Education _Grants to States			<u>2,647,405</u>
Special Education_Preschool Grants - Restoration	84.173	2019	6,603
Special Education_Preschool Grants	84.173	2020	50,836
Special Education_Preschool Grants - Restoration	84.173	2020	47,176
Total Special Education_Preschool Grants			<u>104,615</u>
Total Special Education Cluster (IDEA)			<u>2,752,020</u>
English Language Acquisition State Grants	84.365	2019	13,323
English Language Acquisition State Grants	84.365	2020	38,167
Total English Language Acquisition State Grants			<u>51,490</u>
Supporting Effective Instruction State Grants	84.367	2019	41,382
Supporting Effective Instruction State Grants	84.367	2020	145,661
Total Supporting Effective Instruction State Grants			<u>187,043</u>
Student Support and Academic Enrichment Program	84.424	2019	1,541
Student Support and Academic Enrichment Program	84.424	2020	32,376
Total Student Support and Academic Enrichment Program			<u>33,917</u>
Elementary and Secondary School Emergency Relief (ESSER) Fund - COVID 19	84.425D	2020	133,155
Total U.S. Department of Education			<u>3,901,843</u>
Total Federal Financial Assistance			<u>\$ 5,961,293</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

- (A) This schedule includes the federal award activity of the Pickerington Local School District under programs of the federal government for the fiscal year ended June 30, 2020 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Pickerington Local School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Pickerington Local School District.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.
- (C) Commingled with state and local revenue from sales of breakfast and lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (E) OAKS did not assign pass-through numbers for fiscal year 2020.

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**Independent Auditor's 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***

Pickerington Local School District
Fairfield County
90 N. East Street
Pickerington, Ohio 43147

To the Board of Education:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements, and have issued our report thereon dated December 21, 2020, wherein we noted as described in Note 3 to the financial statements, the Pickerington Local School District adopted GASBS No. 84, *Fiduciary Activities*. Furthermore, as described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Pickerington Local School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pickerington Local School District's internal control.

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 Pickerington Local School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pickerington Local School District's financial statements are free from 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 financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pickerington Local School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pickerington Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 21, 2020

**Independent Auditor's Report on Compliance for the Major Program
and on Internal Control Over Compliance and on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Pickerington Local School District
Fairfield County
90 N. East Street
Pickerington, Ohio 43147

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Pickerington Local School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Pickerington Local School District's major federal program for the fiscal year ended June 30, 2020. The Pickerington Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Pickerington Local School District's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Pickerington Local School 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the Pickerington Local School District's compliance.

Opinion on the Major Federal Program

In our opinion, the Pickerington Local School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the fiscal year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the Pickerington Local School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Pickerington Local School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Pickerington Local School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, 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 a 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements. We issued our report thereon dated December 21, 2020, which contained unmodified opinions on those financial statements. Our opinion also explained that the Pickerington Local School District adopted *GASBS No. 84* during the fiscal year. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
December 21, 2020

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2020**

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

OHIO AUDITOR OF STATE KEITH FABER



PICKERINGTON LOCAL SCHOOL DISTRICT

FAIRFIELD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/4/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov