

**PICKERINGTON LOCAL
SCHOOL DISTRICT**

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2006

W. VINCE UTTERBACK, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Pickerington Local School District
779 Long Road
Pickerington, Ohio 43147

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian and Grube, Inc., for the audit period July 1, 2005 through June 30, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 26, 2007

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PICKERINGTON LOCAL SCHOOL DISTRICT

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Julian & Grube, Inc.

Serving Ohio Local Governments

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

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

Board of Education
Pickerington Local School District
779 Long Road
Pickerington, OH 43147

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District as of and for the fiscal year ended June 30, 2006, and have issued our report thereon dated January 23, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Pickerington Local School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.

Julian & Grube, Inc.
January 23, 2007

**PICKERINGTON LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

| FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH GRANT NUMBER | (D) CASH FEDERAL RECEIPTS | OTHER FEDERAL RECEIPTS | (D) CASH FEDERAL DISBURSEMENTS | OTHER FEDERAL DISBURSEMENTS |
|--|----------------|---------------------------------|------------------------------------|------------------------------|---|-----------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION: | | | | | | |
| (B) Food Donation | 10.550 | N/A | \$ - | \$ 298,748 | \$ - | \$ 298,748 |
| Total Food Donation | | | <u>-</u> | <u>298,748</u> | <u>-</u> | <u>298,748</u> |
| Nutrition Cluster: | | | | | | |
| (A) (C) School Breakfast Program | 10.553 | 046896-05PU-2005 | 1,299 | - | 1,299 | - |
| (A) (C) School Breakfast Program | 10.553 | 046896-05PU-2006 | 11,838 | - | 11,838 | - |
| Total School Breakfast Program | | | <u>13,137</u> | <u>-</u> | <u>13,137</u> | <u>-</u> |
| (A) (C) National School Lunch Program | 10.555 | 046896-LLP1-2005 | 315 | - | 315 | - |
| (A) (C) National School Lunch Program | 10.555 | 046896-LLP1-2006 | 968 | - | 968 | - |
| (A) (C) National School Lunch Program | 10.555 | 046896-LLP4-2005 | 77,873 | - | 77,873 | - |
| (A) (C) National School Lunch Program | 10.555 | 046896-LLP4-2006 | 357,049 | - | 357,049 | - |
| Total National School Lunch Program | | | <u>436,205</u> | <u>-</u> | <u>436,205</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | | <u>449,342</u> | <u>298,748</u> | <u>449,342</u> | <u>298,748</u> |
| U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION | | | | | | |
| (E) Title I Grants to Local Educational Agencies | 84.010 | 046896-C1S1-2005 | - | | 18,657 | |
| (E) Title I Grants to Local Educational Agencies | 84.010 | 046896-C1S1-2006 | 238,574 | | 236,516 | |
| Total Title I Grants to Local Educational Agencies | | | <u>238,574</u> | | <u>255,173</u> | |
| Special Education Grants to States | 84.027 | 046896-6BSD-2006 | 48,720 | | 40,985 | |
| Special Education Grants to States | 84.027 | 046896-6BSF-2005 | 550,259 | | 528,263 | |
| Special Education Grants to States | 84.027 | 046896-6BSF-2006 | 1,084,600 | | 979,231 | |
| Total Special Education Grants to States | | | <u>1,683,579</u> | | <u>1,548,479</u> | |
| (E)(F) Safe and Drug-Free Schools and Communities State Grants | 84.186 | 046896-DRS1-2005 | 10,886 | | 1,312 | |
| (E)(F) Safe and Drug-Free Schools and Communities State Grants | 84.186 | 046896-DRS1-2006 | 26,396 | | 26,396 | |
| Total Safe and Drug-Free Schools and Communities State Grants | | | <u>37,282</u> | | <u>27,708</u> | |
| State Grants for Innovative Programs | 84.298 | 046896-C2S1-2005 | 25,514 | | 25,514 | |
| Total State Grants for Innovative Programs | | | <u>25,514</u> | | <u>25,514</u> | |
| Education Technology State Grants | 84.318 | 046896-TJS1-2005 | - | | 3,642 | |
| Education Technology State Grants | 84.318 | 046896-TJS1-2006 | 4,341 | | 4,341 | |
| Total Educational Technology State Grants | | | <u>4,341</u> | | <u>7,983</u> | |
| English Language Acquisition Grants | 84.365 | 046896-T3S1-2005 | 9,642 | | 80 | |
| English Language Acquisition Grants | 84.365 | 046896-T3S1-2006 | 25,520 | | 25,438 | |
| Total English Language Acquisition Grants | | | <u>35,162</u> | | <u>25,518</u> | |
| (F) Improving Teacher Quality State Grants | 84.367 | 046896-TRS1-2005 | 66,231 | | 54,779 | |
| (F) Improving Teacher Quality State Grants | 84.367 | 046896-TRS1-2006 | 124,954 | | 110,604 | |
| Total Improving Teacher Quality State Grants | | | <u>191,185</u> | | <u>165,383</u> | |
| Hurricane Education Recovery | 84.938 | 046896-HR01-2006 | 11,750 | | 11,750 | |
| Total Hurricane Education Recovery | | | <u>11,750</u> | | <u>11,750</u> | |
| Total U.S. Department of Education | | | <u>2,227,387</u> | | <u>2,067,508</u> | |
| Total Federal Financial Assistance | | | <u>\$ 2,676,729</u> | <u>\$ 298,748</u> | <u>\$ 2,516,850</u> | <u>\$ 298,748</u> |

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) This schedule was prepared on the cash basis of accounting.
- (E) Amount of \$2,800 transferred from Safe and Drug Free Schools and Communities State Grants to Title I Grants to Local Educational Agencies based on Ohio Department of Education administrative action.
- (F) Amount of \$8,086 transferred from Safe and Drug Free Schools and Communities State Grants to Improving Teacher Quality State Grants based on Ohio Department of Education administrative action.



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Report on Internal Control Over Financial Reporting and
On Compliance and Other Matters Based on an Audit of Basic Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Education
Pickerington Local School District
779 Long Road
Pickerington, OH 43147

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District as of and for the fiscal year ended June 30, 2006, which collectively comprise the Pickerington Local School District's basic financial statements and have issued our report thereon dated January 23, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pickerington Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Board of Education
Pickerington Local School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pickerington Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

Julian & Grube, Inc.
January 23, 2007



Julian & Grube, Inc.
Serving Ohio Local Governments

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

**Report on Compliance With Requirements Applicable
to Each of Its Major Federal Programs and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Board of Education
Pickerington Local School District
779 Long Road
Pickerington, OH 43147

Compliance

We have audited the compliance of the Pickerington Local School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to each of its major federal programs for the fiscal year ended June 30, 2006. Pickerington Local School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the Pickerington Local School District's management. Our responsibility is to express an opinion on the Pickerington Local School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards, issued by the Comptroller General of the United States*; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on Pickerington Local School District's compliance with those requirements.

In our opinion, Pickerington Local School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2006.

Board of Education
Pickerington Local School District

Internal Control Over Compliance

The management of the Pickerington Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Pickerington Local School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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



Julian & Grube, Inc.
January 23, 2007

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO
JUNE 30, 2006**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505**

| 1. SUMMARY OF AUDITOR'S RESULTS | | |
|--|---|---|
| | | |
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unqualified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weakness conditions reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs' Compliance Opinion</i> | Unqualified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under § .510?</i> | No |
| <i>(d)(1)(vii)</i> | <i>Major Programs:</i> | Nutrition Cluster: School Breakfast CFDA #10.553; National School Lunch Program CFDA #10.555; Special Education Grants to States CFDA #84.027 |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: >\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee?</i> | Yes |

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO
JUNE 30, 2006**

**SCHEDULE OF FINDINGS
*OMB CIRCULAR A-133 § .505***

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

PICKERINGTON LOCAL
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

PREPARED BY
TREASURER'S DEPARTMENT
W. VINCE UTTERBACK, TREASURER

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INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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Pickerington Local School District

Office of the Treasurer

779 Long Road

Pickerington, Ohio 43147

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Fax: (614) 833-2126

Vince Utterback
Treasurer

Keltah Houser-Siders
Assistant Treasurer

Dave Decsman
Transportation
Supervisor

Martha England
Grant/Accountability
Coordinator

Treasurer's Office
Staff

Sandy Christian
Secretary to Treasurer

Becky Dellinger
Budgetary

Judy Entinger
Payroll Clerk

Amelia Fuentes
Payroll Clerk

Gloria McDaniel
District Cashier

Jodi Miller
EMIS/Payroll
Coordinator

Tereasa Thacker
Accounts Payable

January 26, 2007

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 year ended June 30, 2006 is prepared in accordance with accounting principals 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).

This CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes a table of contents, this transmittal letter, a list of the District's elected officials and administrative staff, the District's organizational chart, and the award received from GFOA for the District's 2005 CAFR. The financial section includes the management's discussion and analysis, basic financial statements and the combining statements and individual fund schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section provides pertinent financial, economic, and demographic information indicating ten-year historical trends.

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

The basic financial statements of the District for the year ended June 30, 2006, 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 OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement 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 in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, two middle schools, and five elementary schools as of June 30, 2006. The District had approximately 9,792 students during the 2005-2006 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 witnessed by scores on standardized tests.

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

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

Internal Control:

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

1. the safeguarding of assets against loss from unauthorized use or disposition; and
2. the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

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

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

Budgetary Controls:

In addition to the internal control structure 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. 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 Pickerington Local School District provides a wide variety of educational and support services. This includes regular and vocational instruction; special instructional programs for ESL, handicapped and gifted students; student guidance and health services; as well as extracurricular activities.

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

The community has supported the district's housing needs and the need for reorganization has resulted in grade level spans that have improved opportunities for students and enhanced instruction. In 1989, the District approved a bond issue that funded a state of the art high school for 1800 students. As a result, grades 7 and 8 were relocated to the junior high (old high school building) and grade 5 was moved from each elementary building and relocated with the sixth grade to form a middle school resulting in the district's present configuration of building spans - K-4, 5-6, 7-8, and 9-12.

More important than the physical improvements and adjustments is the fact that these organizational efforts resulted in a restructuring of both the 5-6 and 7-8 buildings. These facilities now operate in teams, or a "school-within-a-school" concept, which has enhanced instruction and provided numerous opportunities to pay closer attention to each student.

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

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

Our community's greatest building achievement was passed in November of 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 a Pickerington High School North and Lakeview Junior High School that opened in August of 2003.

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, an expanded writing program, 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 even better meet the needs and interests of students. Included in these efforts have been Success Academy (an intervention program for at-risk 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 expansion of advanced placement course offerings.

With no sign in the immediate future that the rapid growth the District had experienced in recent years would change, the need for additional facilities at the K-6 level continued to be a concern. Additional portable classrooms were installed at all K-6 buildings. In the fall of 2006, the Pickerington community continued to support the need to house its children. A bond issue was passed in November that will provide funds to build an additional middle school and two new elementary facilities.

Performance:

Scholastic Performance: In the spring of 2006, the Pickerington Local School District met 22 of 25 standards on the State's Local Report Card. This ranking placed PLSD among the top 31% of all school districts in the State of Ohio. The district's performance index of 101.1 earned Pickerington Local Schools a rating of Excellent.

ACT/SAT Testing: The School District's students outranked their state and national peers in 2006 on both the ACT and SAT tests. The School District's students scored an average ACT composite score of 22.0 at PHS Central and 23.0 at PHS North, compared to an average ACT composite score of 21.5 for all Ohio students and a national average of 21.1. The School District's students also scored an average SAT composite score of 1090 at PHS Central and 1126 at PHS North, compared to an Ohio average SAT composite score of 1079 and a national average of 1021. The number of students participating in ACT/SAT exams has also grown significantly in recent years.

Scholastic Achievement: The School District's two high schools graduated a combined total of 663 students in the spring of 2006. The 2006 class of graduating seniors earned over \$13 million in academic and athletic scholarships.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Reorganization of Grades 7 & 8: With the move to the newly renovated facility, extensive work was done to restructure how students and staff were organized. A "team" concept was implemented in grade 7 in 1993-94; the concept was extended to grade 8 in 1994-95. This teaming approach, coupled with the hard work of the dedicated teaching staff, created a highly focused learning atmosphere – so much so, that Lakeview Junior High was designed around this concept.

Reorganization of Grades 5 & 6: In 1992, Pickerington Middle School opened. It was housed in the District's oldest facility, but met with outstanding success. Working in teams of two teachers in grade 5 and teams of three teachers in grade 6, staff unity, student identity, and a school climate that literally shouts "learning is fun!" would best characterize this faculty and student body. As a result, both Diley Middle School and Harmon Middle School facilities opened in August 2000 and were designed and constructed to support this organizational structure.

Reorganization of Grade Four: Many of the fourth grade classrooms across the District began a teaming approach to their instructional delivery in 1999-2000. Working in teams of two, teachers provide better delivery of instruction in all core content areas. Recent changes in middle grade licensure have supported the strength of the delivery of instruction through a teaming approach.

Reorganization of Gifted & Talented: The District currently operates in-house programs for gifted and talented students, in grade 4, at each elementary, and grades 5 and 6 at the middle school. The program has been expanded to include even more students, and additional teachers.

With the opening of our fifth elementary, the District continued to provide a gifted teacher for each elementary building. Assignment to one building allows these teachers time to provide for fourth grade gifted instruction, act as a gifted resource to all classroom teachers, and provide math intervention to 2nd and 3rd graders.

ESL Program: Students in grades K-12 with Limited English Proficiency are provided intervention programs through the districts' ESL (English as a Second Language) teachers. These students proficiency is tested regularly through state mandated testing and they phase out of the program as they obtain mastery of the English language.

Latchkey Program: A latchkey child care program was begun in the District in the fall of 1992. The program, originally housed in the Violet Elementary School, has expanded to include Fairfield Elementary, Tussing Elementary, Pickerington, and Heritage Elementary. All elementary schools are currently providing this service to our community.

Foreign Languages: Following two years of diligent study, the Board of Education approved the implementation of foreign language instruction in the junior high school in 1994. Seventh (7th) and eighth (8th) grade students are able to enroll in an elective study of German, Spanish, and French to complete first-year study over a two-year period. Latin and American Sign Language have also been added at the high school. These additions have provided district students an opportunity to enroll in a fifth year of foreign language as seniors if they begin their foreign language studies at the junior high level.

High School Credit as an Option for Junior High Students: Junior High students had the option of earning High School credits for Algebra, Honors Algebra, and Foreign Language courses beginning in the 1998-99 school year when changes at the state level permitted this. Beginning in the 1999-2000 school year Biology A and Earth Science A, both high school science courses, were also made available for credit at the Junior High level.

Arts Instruction: The District believes in the importance of providing opportunities for all its students to experience and excel in arts education. Music and visual arts teachers provide instruction to students K-12. Each K-6 building has its own music and visual arts teacher. All students at the junior high level are enrolled in a creative arts block. Beginning in the 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. One attending exhibitions and performances provided by these programs witness the impressive talents of Pickerington students and the quality of the instruction provided by our outstanding staff members.

Technology in Instruction: PLSD recognizes that teaching/learning is at the core of everything that we do. The district also believes that technology can be used by all of its stakeholders in ways that will improve teaching/learning. To this end the district's technology mission statement is: "Pickerington Local Schools will encourage and facilitate the use of technology by students, staff and parents in order to enhance education, increase communication, and prepare for the demands of an ever-changing technology-driven society."

In 1990, if there was one area in which the District fell behind its peers, it was in the incorporation of technology into its instructional programs. Two million dollars in computers and related technology for grades K-12 were purchased due to the passage of a 1993 bond issue. SchoolNet Plus provided over 2 million dollars to support the purchase of K-8 hardware, software and professional development. While the district struggles to keep up with the demands of an ever expanding network, the district's building projects in combination with SchoolNet initiatives have provided the means of initial installation of hardware at all levels.

Currently the district struggles with needed funds in three areas of technology - replacement of the original equipment installed with SchoolNet funds in 1996; enhancing the district's LAN to accommodate the ever increasing usage as an additional 300-400 students enroll each year; and adequate funds to provide additional technology staff to maintain the hardware, provide installations, and promote incorporation of technology into the teachers' instruction through professional development.

Broadcast Journalism: A program is in place at both high schools to teach students the basics of broadcast journalism. A daily announcement show, formatted as a news show, delivers information to students on a building-wide, closed circuit television network. The students write, stage, and produce the show in its entirety, in-house. The program also writes and produces a bi-weekly television program aired throughout Central Ohio on local cable channels.

Expanded Summer School Opportunities: As discussions have occurred throughout the District on many instructional items, it has become apparent that either the school day or year must be increased. While this major restructuring will continue to be a topic of great debate, the District is moving toward the same end by expanding instructional opportunities to students via a comprehensive Summer Academy, which provides both enrichment and remedial classes in the summer and beyond the regular school day. During the summer, the district provides K-8 students intervention in both reading and math; additionally, intervention in science and social studies is available for students in grades 5 and 8. Summer intervention is available for high school students in all content areas in preparation for retaking of the OGT.

In addition to remedial help, summer science enrichment camp is available for elementary aged students. Lastly, the following high school credit courses are offered: Biology B, Earth Science A, and Physical Education.

In addition to summer programs, before and after school intervention is provided in each elementary for students who have failed to pass the third grade reading achievement test. Two of the districts' elementary buildings that have a higher proportion of at-risk students provide an extension to the school day for reading intervention in grades 1-4. Math and science intervention is provided before/after school for middle school students.

Course of Study Review/Revision: Extensive, intense discussions have been held to revise the District courses of study in an effort to assure that our objectives comply with the new Ohio academic standards in each subject. Emphasis continues to be hands-on, applied learning, with an incorporation of higher level thinking skills. Staff members have worked hard to ensure that we have developed instructional objectives that prepare our students to meet with success on Ohio's academic achievement and Ohio Graduation Tests.

Educational Management Information System (EMIS): Like all other Ohio schools, the District is deeply involved in successful implementation of the Ohio EMIS system for financial, staff, and student information. As mandates and procedures evolve and change this is also an area of constant revision.

Strategic Plan/Continuous Improvement Plan: In 1993, prior to the federal requirements for Continuous Improvement Planning the District embarked on the development of a five-year strategic plan. A steering committee of some 50 residents and school personnel were involved in this effort. It is estimated that over 200 residents had input into the development of the focus and priorities of the District for the next 4-5 years. This plan, which addressed needs in facilities, instruction, finance, policies, technology, and related services, was presented to the Board of Education. The Board and administration have worked to implement as many recommendations as fiscally possible.

Annually the district completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) to support the following district mission statement – “Our mission is to provide all children an efficient and nurturing educational environment which creates lifelong learners who are socially responsible citizens.” Each school develops building goals to support the districts' objectives and goals. Continuous Improvement Planning differs from our Strategic Plan in two ways. Its focus is entirely on increased student achievement and will continue to cycle through identification, implementation, and assessment stages. The district's current CCIP was approved by the Ohio Department of Education on October 19, 2006.

The district's CCIP goal is “to increase the academic achievement for all students.” 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 II-D (Technology), Title III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title V (Innovative Instructional Program), Part B - IDEA (Special Education).

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. Our staff has been awarded numerous corporate grants, state grants and individual grants including Jennings, Ohio Reads, SIRI, EPA, and Tech Prep to name but a few.

ECONOMIC CONDITION AND OUTLOOK

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

The community is extremely supportive of the District as witnessed by recent voter affirmation of a \$59.9 million bond issue in fiscal 2007 for the purpose of constructing a middle school and two elementaries. In 1990, the community approved a school district income tax. It is anticipated that the income tax will provide a better source of funding than the traditional property tax, because of its ability to grow as the District grows.

As can be seen in Note 10 of the financial statements, voters have routinely supported the District in its efforts to keep pace with increased student population.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. Two categories of "set-asides" or reserves are pertinent to the District: the textbook and instructional materials set-aside and the capital acquisition set-aside. The set-asides for the textbook and instructional materials and the capital acquisition are required by state statute. For fiscal 2006, the District had offsets and qualifying disbursements which well exceeded the required set-asides. Given the District's current and anticipated expenditure patterns and levels, the board expects to exceed these requirements for the foreseeable future.

The District's financial condition continues to be an area of focus for the Board of Education and Administration. Currently in litigation is the State School Funding issue known as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the state's method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. Declared unconstitutional was the state's 'school foundation program', which provides significant amounts of monetary support to the District.

AWARDS AND ACKNOWLEDGEMENTS

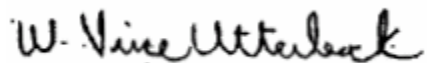
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickerington Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2005. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFRs must satisfy both accounting principals generally accepted in the United States of America as applied to governmental units and applicable legal requirements. This certificate is valid for a period of one year only.

Management believes this current report conforms to the high standards of the award programs and will be submitting it to GFOA to determine its eligibility for 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. A special thanks goes out to the Superintendent and the Assistant Treasurer of the District for their input and assistance in this project. In the financial area, as in the instructional area, the goal of excellence is always with us.

Respectfully submitted,



W. Vince Utterback, CPA
Treasurer

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

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

JUNE 30, 2006

Board of Education Members

President
Vice President
Member
Member
Member

Mrs. Lisa Reade
Mrs. Gail Oakes
Mrs. Lori Sanders
Dr. James Brink
Mr. Wes Monhollen

Appointed Officials

Superintendent
Treasurer

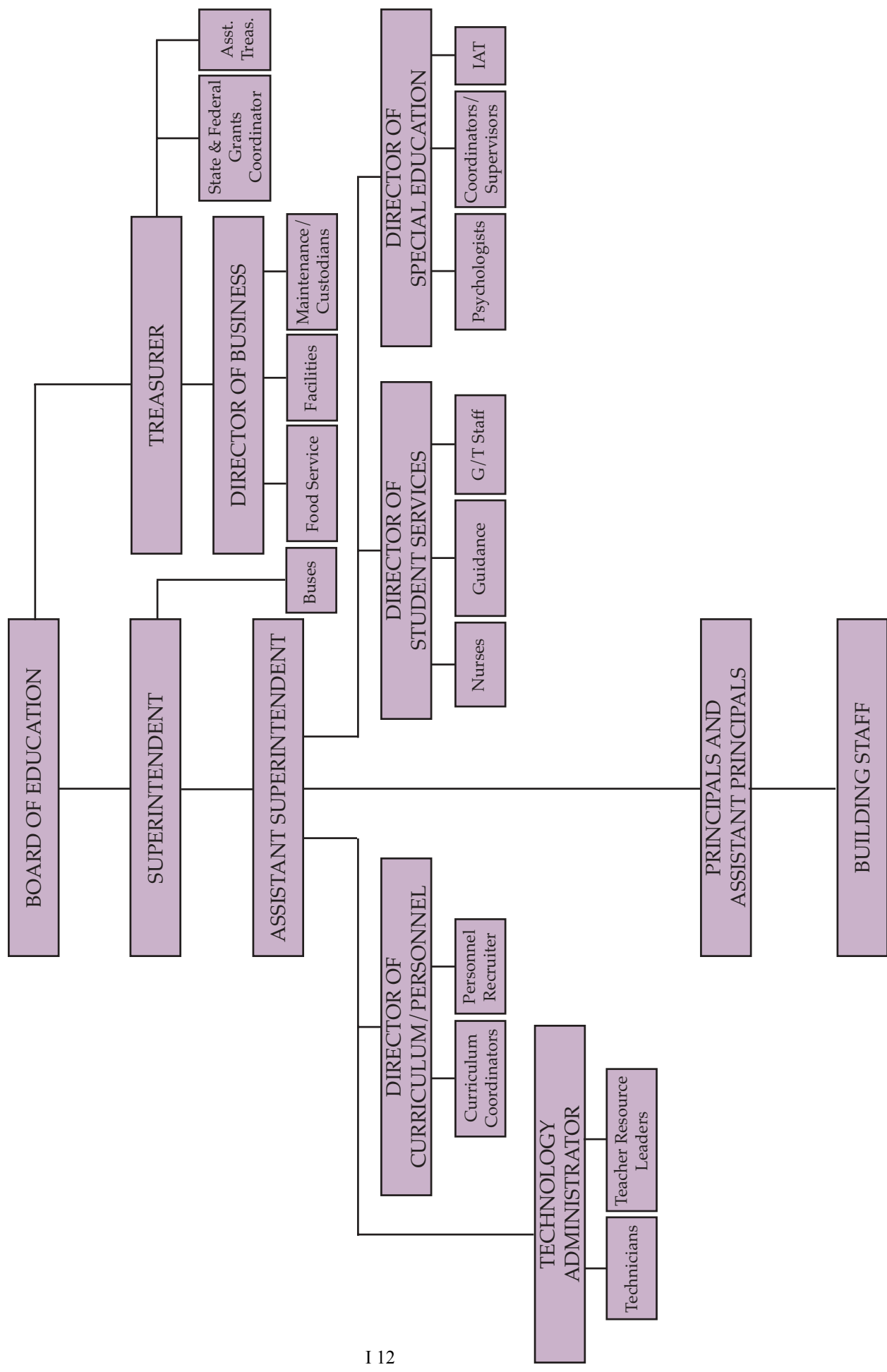
Dr. Robert H. Thiede
W. Vince Utterback

Administrative Staff

Assistant Superintendent
Director of Instruction
Director of Student Services
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, Harmon Middle School
Principal, Fairfield Elementary School
Principal, Heritage Elementary School
Principal, Pickerington Elementary School
Principal, Tussing Elementary School
Principal, Violet Elementary School

H. Lewis Stemen
Debra Sawyer
George W. Vickroy
Keltah Houser-Siders
Barbara Geis
Michael Smith
Charles Kemper
James Sotlar
Charles Byers
D. Mark Jones
Gary Morrow
Frederick W. Nihiser
David Toopes
Jane Vazquez
Thomas C Wilkinson
Kristi Motsch

PICKERINGTON LOCAL SCHOOL DISTRICT
2005-2006 ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pickerington Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

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



President

Executive Director



Julian & Grube, Inc.

Serving Ohio Local Governments

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

Independent Auditor's Report

Board of Education
Pickerington Local School District
779 Long Road
Pickerington, OH 43147

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County (the "District") as of and for the fiscal year ended June 30, 2006, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Pickerington Local School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, as of June 30, 2006, and the respective changes in financial position and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Pickerington Local School District

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
January 23, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(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, 2006. 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 2006 are as follows:

- In total, net assets of governmental activities increased \$258,979 which represents a 1.41% increase from 2005.
- General revenues accounted for \$88,146,035 in revenue or 92.24% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,411,704 or 7.76% of total revenues of \$95,557,739.
- The District had \$95,298,760 in expenses related to governmental activities; only \$7,411,704 of these expenses was 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 \$88,146,035 were adequate to provide for these programs.
- The District's major governmental funds include the general and district debt service funds. The general fund had \$78,398,795 in revenues and \$77,834,551 in expenditures and other financing uses. During fiscal year 2006, the general fund's fund balance increased \$564,244 from \$8,445,654 to \$9,009,898.
- The district debt service fund had \$80,457,915 in revenues and other financing sources and \$78,746,008 in expenditures and other financing uses. The district debt service fund's fund balance increased \$1,711,907 from \$9,447,143 to \$11,159,050.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the most significant funds are the general and district debt service funds, 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, 2006
(UNAUDITED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance, pupil transportation, extracurricular activities, and food service operations.

The District's Statement of Net Assets and Statement of Activities can be found on pages 15-16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and 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 Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 22 and 23. 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 24-54 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2006 and 2005.

| | Net Assets | |
|--|---|---|
| | Governmental Activities <u>2006</u> | Governmental Activities <u>2005</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 68,556,191 | \$ 63,936,698 |
| Capital assets, net | <u>115,021,526</u> | <u>118,850,543</u> |
| Total assets | <u>183,577,717</u> | <u>182,787,241</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 39,843,308 | 37,965,224 |
| Long-term liabilities | <u>125,057,303</u> | <u>126,403,890</u> |
| Total liabilities | <u>164,900,611</u> | <u>164,369,114</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | 5,680,217 | 6,170,204 |
| Restricted | 16,510,606 | 15,221,567 |
| Unrestricted (deficit) | <u>(3,513,717)</u> | <u>(2,973,644)</u> |
| Total net assets | <u>\$ 18,677,106</u> | <u>\$ 18,418,127</u> |

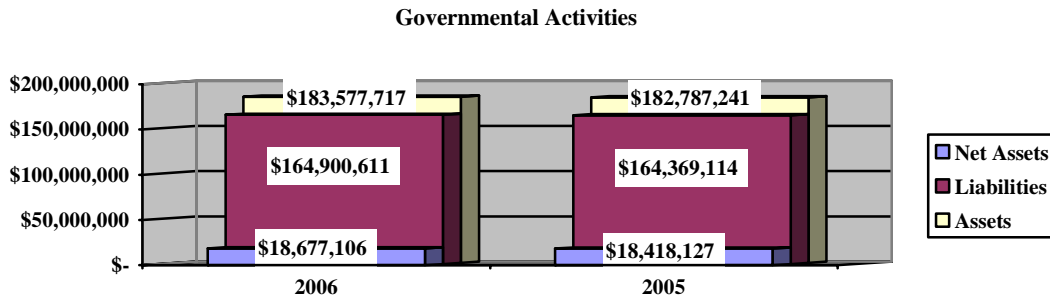
Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2006, the District's assets exceeded liabilities by \$18,677,106. At fiscal year-end, restricted net assets were \$16,510,606.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

At fiscal year-end, capital assets represented 62.66% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction-in-progress. Investments in capital assets, net of related debt to acquire the assets at June 30, 2006, were \$5,680,217. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$16,510,606, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$3,513,717. The table below illustrates the District's assets, liabilities and net assets at June 30, 2006 and 2005.



The table below shows the change in net assets for fiscal years 2006 and 2005.

Change in Net Assets

| | Governmental Activities 2006 | Governmental Activities 2005 |
|------------------------------------|------------------------------------|------------------------------------|
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services and sales | \$ 4,018,761 | \$ 3,932,314 |
| Operating grants and contributions | 3,301,167 | 2,924,982 |
| Capital grants and contributions | 91,776 | 69,720 |
| General revenues: | | |
| Property taxes | 32,174,290 | 33,449,356 |
| School district income taxes | 10,830,531 | 10,232,657 |
| Grants and entitlements | 43,661,527 | 40,865,256 |
| Investment earnings | 1,370,041 | 786,837 |
| Other | 109,646 | 4,493 |
| Total revenues | <u>95,557,739</u> | <u>92,265,615</u> |

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

Change in Net Assets

| | <u>Governmental Activities 2006</u> | <u>Governmental Activities 2005</u> |
|--|---|---|
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | \$ 42,690,019 | \$ 40,326,102 |
| Special | 5,977,721 | 5,423,614 |
| Vocational | 1,034,985 | 890,084 |
| Adult/continuing | - | 10,895 |
| Other | 1,796,253 | 1,581,660 |
| Support services: | | |
| Pupil | 4,036,154 | 3,942,233 |
| Instructional staff | 4,983,317 | 4,413,385 |
| Board of education | 501,735 | 404,032 |
| Administration | 7,037,059 | 6,322,386 |
| Fiscal | 1,499,551 | 1,386,034 |
| Business | 175,317 | 192,496 |
| Operations and maintenance | 9,428,349 | 9,238,371 |
| Pupil transportation | 4,501,482 | 3,998,024 |
| Central | 74,200 | 87,250 |
| Operation of non-instructional services: | | |
| Food service operations | 3,420,780 | 3,068,309 |
| Other non-instructional services | 86,613 | 84,897 |
| Extracurricular activities | 2,577,848 | 2,557,801 |
| Interest and fiscal charges | <u>5,477,377</u> | <u>6,422,079</u> |
| Total expenses | <u>95,298,760</u> | <u>90,349,652</u> |
| Change in net assets | 258,979 | 1,915,963 |
| Net assets at beginning of year | <u>18,418,127</u> | <u>16,502,164</u> |
| Net assets at end of year | <u>\$ 18,677,106</u> | <u>\$ 18,418,127</u> |

Governmental Activities

Net assets of the District's governmental activities increased \$258,979. Total governmental expenses of \$95,298,760 were offset by program revenues of \$7,411,704 and general revenues of \$88,146,035. Program revenues supported 7.78% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and grants and entitlements. These three revenue sources represent 90.70% of total governmental revenue. Real estate property is reappraised every six years.

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

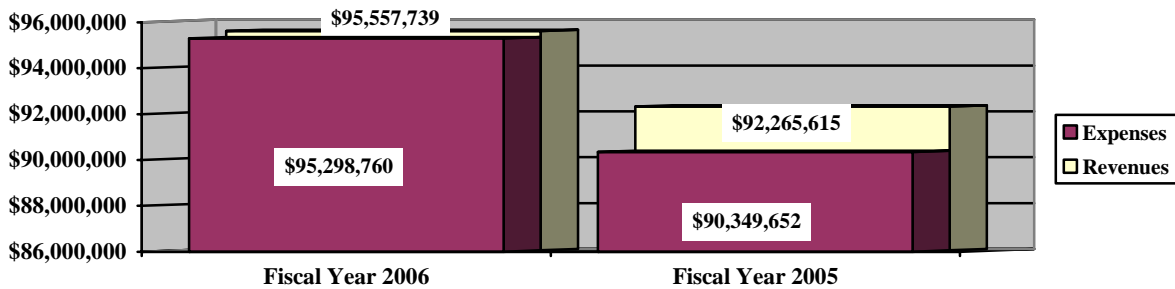
**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

The District's financial condition has continued to be impaired in recent years, primarily due to decreased financial support from the state. While the District has seen an increase in the amount of State aid received due to increased enrollment, the per-pupil amount received has decreased. Due to increased enrollment, the District has increased staff; however, this in combination with the decrease in the per-pupil aid has had a negative impact on the financial condition of the District. The District's weak commercial base provides very little relief.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2006 and 2005.

Governmental Activities - Revenues and Expenses



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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

Governmental Activities

| | Total Cost of Services <u>2006</u> | Net Cost of Services <u>2006</u> | Total Cost of Services <u>2005</u> | Net Cost of Services <u>2005</u> |
|--|--|--|--|--|
| Program expenses | | | | |
| Instruction: | | | | |
| Regular | \$ 42,690,019 | \$ 41,462,325 | \$ 40,326,102 | \$ 39,026,353 |
| Special | 5,977,721 | 5,491,257 | 5,423,614 | 4,891,073 |
| Vocational | 1,034,985 | 1,034,985 | 890,084 | 889,206 |
| Adult/continuing | - | - | 10,895 | 10,895 |
| Other | 1,796,253 | 1,796,253 | 1,581,660 | 1,581,660 |
| Support services: | | | | |
| Pupil | 4,036,154 | 3,575,375 | 3,942,233 | 3,320,556 |
| Instructional staff | 4,983,317 | 4,474,734 | 4,413,385 | 3,970,166 |
| Board of education | 501,735 | 500,467 | 404,032 | 402,639 |
| Administration | 7,037,059 | 6,924,767 | 6,322,386 | 6,244,137 |
| Fiscal | 1,499,551 | 1,491,554 | 1,386,034 | 1,386,034 |
| Business | 175,317 | 175,317 | 192,496 | 192,496 |
| Operations and maintenance | 9,428,349 | 9,225,828 | 9,238,371 | 9,120,591 |
| Pupil transportation | 4,501,482 | 4,325,633 | 3,998,024 | 3,994,587 |
| Central | 74,200 | 55,530 | 87,250 | 61,739 |
| Operations of non-instructional services | | | | |
| Food service operations | 3,420,780 | 325,091 | 3,068,309 | 222,616 |
| Other non-instructional services | 86,613 | (5,380) | 84,897 | 11,961 |
| Extracurricular activities | 2,577,848 | 1,555,943 | 2,557,801 | 1,673,848 |
| Interest and fiscal charges | <u>5,477,377</u> | <u>5,477,377</u> | <u>6,422,079</u> | <u>6,422,079</u> |
| Total expenses | <u>\$ 95,298,760</u> | <u>\$ 87,887,056</u> | <u>\$ 90,349,652</u> | <u>\$ 83,422,636</u> |

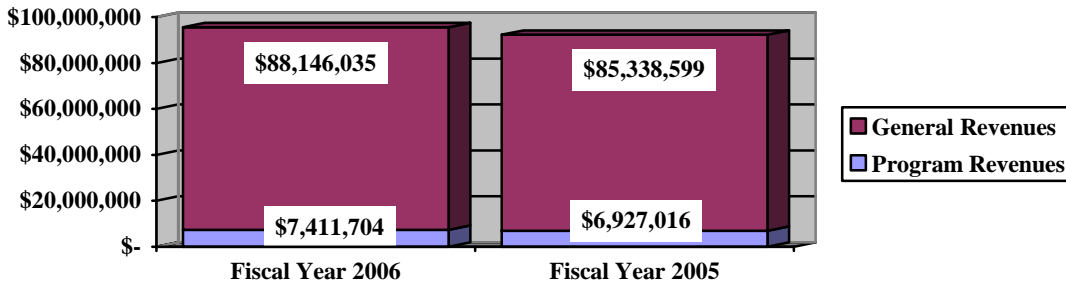
The dependence upon tax and other general revenues for governmental activities is apparent, 96.67% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 92.22%. The District's taxpayers and State aid are the primary support for District's students.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

The graph below presents the District's governmental activities revenue for fiscal years 2006 and 2005.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$26,049,837, which is greater than last year's total of \$24,559,081. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2006 and 2005.

| | Fund Balance June 30, 2006 | Fund Balance June 30, 2005 | Increase (Decrease) |
|-----------------------|-------------------------------|-------------------------------|------------------------|
| General | \$ 9,009,898 | \$ 8,445,654 | \$ 564,244 |
| District debt service | 11,159,050 | 9,447,143 | 1,711,907 |
| Other governmental | <u>5,880,889</u> | <u>6,666,284</u> | <u>(785,395)</u> |
| Total | <u>\$ 26,049,837</u> | <u>\$ 24,559,081</u> | <u>\$ 1,490,756</u> |

General Fund

The District's general fund balance increased \$564,244. The increase in fund balance can be attributed to an increase of an in tax revenues, earnings on investments and intergovernmental revenue. Tax revenues increased as a result of an increase in assessed values. Earnings on investments increased due to increases in interest rates and a larger allocation of interest in the General fund due to the completion of the building projects and liquidation of those related investments. The increase in facilities acquisition and construction can be attributed to maintenance at the Central High School and elementary schools. The decrease in debt service is from the pay off of the weight equipment lease in the previous year – this was an early retirement of the weight equipment lease. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

| | <u>2006</u> <u>Amount</u> | <u>2005</u> <u>Amount</u> | <u>Change</u> | <u>Percentage</u> <u>Change</u> |
|---|------------------------------|------------------------------|---------------------|------------------------------------|
| <u>Revenues</u> | | | | |
| Taxes | \$ 34,299,575 | \$ 34,209,749 | \$ 89,826 | 0.26 % |
| Tuition | 286,273 | 208,949 | 77,324 | 37.01 % |
| Earnings on investments | 1,195,948 | 670,419 | 525,529 | 78.39 % |
| Intergovernmental | 42,552,690 | 39,643,601 | 2,909,089 | 7.34 % |
| Other revenues | <u>64,309</u> | <u>61,231</u> | <u>3,078</u> | 5.03 % |
| Total | <u>\$ 78,398,795</u> | <u>\$ 74,793,949</u> | <u>\$ 3,604,846</u> | 4.82 % |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 46,617,041 | \$ 43,117,157 | 3,499,884 | 8.12 % |
| Support services | 28,584,043 | 26,863,644 | 1,720,399 | 6.40 % |
| Operation of non-instructional services | - | 8,688 | (8,688) | (100.00) % |
| Extracurricular activities | 1,467,482 | 1,298,922 | 168,560 | 12.98 % |
| Facilities acquisition and construction | 510,985 | 372,959 | 138,026 | 37.01 % |
| Debt service | <u>-</u> | <u>54,646</u> | <u>(54,646)</u> | (100.00) % |
| Total | <u>\$ 77,179,551</u> | <u>\$ 71,716,016</u> | <u>\$ 5,463,535</u> | 7.62 % |

District Debt Service Fund

The District's district debt service fund balance increased \$1,711,907. This increase in fund balance is due to the revenues exceeding the expenditures. The County has rolled back the millage for the debt service fund for this reason, and the decrease in tax revenues can be attributed to this rollback. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

| | <u>2006</u> <u>Amount</u> | <u>2005</u> <u>Amount</u> | <u>Change</u> | <u>Percentage</u> <u>Change</u> |
|----------------------------|------------------------------|------------------------------|---------------------|------------------------------------|
| <u>Revenues</u> | | | | |
| Taxes | \$ 8,169,543 | \$ 8,502,261 | \$ (332,718) | (3.91) % |
| Intergovernmental | <u>1,048,826</u> | <u>1,119,578</u> | <u>(70,752)</u> | (6.32) % |
| Total | <u>\$ 9,218,369</u> | <u>\$ 9,621,839</u> | <u>\$ (403,470)</u> | (4.19) % |
| <u>Expenditures</u> | | | | |
| Support services | \$ 146,570 | \$ 132,865 | 13,705 | 10.31 % |
| Debt service | <u>7,884,645</u> | <u>7,752,870</u> | <u>131,775</u> | 1.70 % |
| Total | <u>\$ 8,031,215</u> | <u>\$ 7,885,735</u> | <u>\$ 145,480</u> | 1.84 % |

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

General Fund Budgeting Highlights

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

During the course of fiscal year 2006, the District did not amend the general fund's budget. For the general fund, original and final budgeted revenues and other financing sources were \$78,151,793. Actual revenues and other financing sources for fiscal year 2006 were \$79,261,576. This represents a \$1,109,783 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated. This increase is due to changes in enrollment figures which effects tuition and intergovernmental estimates in the original and final budgeted amounts. This increase in revenue is also the result of the increases in assessed property values, State revenues and interest revenue.

General fund original and final appropriations (appropriated expenditures plus other financing uses) totaled \$79,577,516. The actual budget basis expenditures and other financing uses for fiscal year 2006 totaled \$79,010,000, which was \$567,516 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2006, the District had \$115,021,526 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction-in-progress. This entire amount is reported in governmental activities. The following table shows fiscal 2006 balances compared to the amount of capital assets in 2005:

| | Capital Assets at June 30 (Net of Depreciation) | |
|---------------------------|--|------------------------------|
| | <u>Governmental Activities</u> | |
| | <u>2006</u> | <u>2005</u> |
| Land | \$ 6,090,899 | \$ 6,090,899 |
| Construction-in-progress | - | 278,952 |
| Land improvements | 9,072,627 | 8,636,895 |
| Building and improvements | 97,451,837 | 101,362,695 |
| Furniture and equipment | 1,791,751 | 1,967,504 |
| Vehicles | <u>614,412</u> | <u>513,598</u> |
| Total | <u>\$ 115,021,526</u> | <u>\$ 118,850,543</u> |

The total additions to capital assets for 2006 were \$962,556. The primary source for additions occurred in vehicles which included the addition of three school buses. The decrease in construction-in-progress is due to the completion of projects related to stadium improvements at Ridgeview Middle School. The overall decrease in capital assets, net of depreciation, of \$3,829,017 is due to the recording of depreciation in the amount of \$4,791,573.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)

Debt Administration

At June 30, 2006, the District had \$120,033,604 in general obligation bonds. Of this total, \$5,595,000 is due within one year and \$114,438,604 is due in greater than one year.

In previous years, the District passed various tax levies, providing for facility improvements and additions to the District's building and debt service on behalf of the public library. The general obligation bonds are scheduled to mature in fiscal year 2029. Payment of principal and interest on the general obligation bonds is being made from the debt service fund.

| | Outstanding Debt, at Year End | |
|--------------------------|---|---|
| | Governmental Activities <u>2006</u> | Governmental Activities <u>2005</u> |
| General obligation bonds | \$ <u>120,033,604</u> | \$ <u>122,049,697</u> |
| Total | \$ <u><u>120,033,604</u></u> | \$ <u><u>122,049,697</u></u> |

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

Current Financial Related Activity

The District has continued to maintain the highest standards of service to our students, parents, and community. The District is always presented with challenges and opportunities. National events economically affect the District and the surrounding area; the District has been impacted by decreases in state foundation and personal property tax. At this same time, the District must determine how best to meet the mandates of the *No Child Left Behind*.

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. Overall, the District continues to perform at the highest level determined by the State of Ohio, which is measured by a defined set of proficiency criteria. The most recent State report card shows the District students achieving 22 out of 25 criteria, which earned the District a rating of "excellent". In contrast, the District's total expenditures per student are well below the state average for all other districts.

Increasing enrollment translates to both additional staffing and building needs. The District depends heavily on the State - approximately 54% of the (cash-basis) revenue of the General fund is received from the State. State legislators decreased the amount of aid for fiscal year 2003 and then decreased the per pupil amount for all future years. The District's State funding has increased slightly in fiscal year 2006 compared to fiscal year 2005 due to increased enrollment.

Other challenges facing the District are the need to find alternatives for housing of students by the maximum utilization of all space within the District. Existing buildings need to be put on a permanent improvement cycle for renovation and repair. The District continues to experience rising health insurance costs and has taken steps to address these increases. Technology has continued to advance and the District has made great strides in terms of enhancing instruction by updating existing equipment, however, with the current budget constraints, the District continues to face challenges in terms of its technology replacement cycle. Due to increases in enrollment, the District is also addressing transportation needs of students. The District is constantly making improvements to bus routes and schedules in order to reduce fuel costs and avoid increasing driver pay hours. Transportation funding by the State is expected to increase with the new biennial budget for fiscal year 2007, due to the District's steady increase in enrollment and increase in the pupil per bus ratio.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(UNAUDITED)**

The District passed a 3.8 mil levy on November 7, 2006, for the construction of two elementary schools and a middle school, as well as improvements to other buildings and new equipment and computers. The District will issue bonds in the amount of \$59,900,000 to be repaid over 28 years.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact W. Vince Utterback, Treasurer of Pickerington Local School District at 779 Long Road, Pickerington, Ohio 43147.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2006

| | Governmental Activities |
|--|------------------------------------|
| Assets: | |
| Equity in pooled cash and investments | \$ 27,999,446 |
| Cash with fiscal agent | 83,539 |
| Cash with escrow agent | 163,781 |
| Receivables: | |
| Property taxes | 34,226,212 |
| School district income taxes | 4,234,841 |
| Accounts | 3,257 |
| Intergovernmental | 600,532 |
| Accrued interest | 367,601 |
| Prepayments | 80,037 |
| Materials and supplies inventory | 83,039 |
| Unamortized bond issuance costs | 713,906 |
| Capital assets: | |
| Land and construction-in-progress | 6,090,899 |
| Depreciable capital assets, net | 108,930,627 |
| Total capital assets, net | 115,021,526 |
| Total assets | 183,577,717 |
| Liabilities: | |
| Accounts payable | 831,240 |
| Retainage payable | 163,781 |
| Accrued wages and benefits | 7,600,865 |
| Pension obligation payable | 1,604,767 |
| Intergovernmental payable | 461,532 |
| Deferred revenue | 28,837,353 |
| Matured bonds payable | 20,000 |
| Matured interest payable | 1,881 |
| Accrued interest payable | 321,889 |
| Long-term liabilities: | |
| Due within one year | 6,338,262 |
| Due in more than one year | 118,719,041 |
| Total liabilities | 164,900,611 |
| Net Assets: | |
| Invested in capital assets, net of related debt | 5,680,217 |
| Restricted for: | |
| Capital projects | 1,324,669 |
| Debt service | 11,740,575 |
| School facilities projects | 1,618,375 |
| Locally funded programs | 432,964 |
| State funded programs | 80,621 |
| Federally funded programs | 489,274 |
| Student activities | 311,062 |
| Other purposes | 513,066 |
| Unrestricted (deficit) | (3,513,717) |
| Total net assets | \$ 18,677,106 |

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, 2006

| | Expenses | Program Revenues | | | Net (Expense) |
|--|----------------------|--------------------------------------|--|--|---|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Assets |
| | | | | | Governmental Activities |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 42,690,019 | \$ 805,693 | \$ 422,001 | \$ - | \$ (41,462,325) |
| Special | 5,977,721 | - | 486,464 | - | (5,491,257) |
| Vocational | 1,034,985 | - | - | - | (1,034,985) |
| Other | 1,796,253 | - | - | - | (1,796,253) |
| Support services: | | | | | |
| Pupil | 4,036,154 | - | 460,779 | - | (3,575,375) |
| Instructional staff | 4,983,317 | 53,191 | 363,616 | 91,776 | (4,474,734) |
| Board of education | 501,735 | 770 | 498 | - | (500,467) |
| Administration | 7,037,059 | 2,040 | 110,252 | - | (6,924,767) |
| Fiscal | 1,499,551 | - | 7,997 | - | (1,491,554) |
| Business | 175,317 | - | - | - | (175,317) |
| Operations and maintenance | 9,428,349 | 94,134 | 108,387 | - | (9,225,828) |
| Pupil transportation | 4,501,482 | - | 175,849 | - | (4,325,633) |
| Central | 74,200 | - | 18,670 | - | (55,530) |
| Operation of non-instructional services: | | | | | |
| Food service operations | 3,420,780 | 2,259,423 | 836,266 | - | (325,091) |
| Other non-instructional services | 86,613 | 45,858 | 46,135 | - | 5,380 |
| Extracurricular activities | 2,577,848 | 757,652 | 264,253 | - | (1,555,943) |
| Interest and fiscal charges | 5,477,377 | - | - | - | (5,477,377) |
| Totals | \$ 95,298,760 | \$ 4,018,761 | \$ 3,301,167 | \$ 91,776 | (87,887,056) |

General Revenues:

| | |
|--|----------------------|
| Property taxes levied for: | |
| General purposes | 23,527,946 |
| Special revenue | 330,505 |
| Debt service | 8,315,839 |
| School district income tax | 10,830,531 |
| Grants and entitlements not restricted | |
| to specific programs | 43,661,527 |
| Investment earnings | 1,370,041 |
| Miscellaneous | 109,646 |
| Total general revenues | 88,146,035 |
| Change in net assets | 258,979 |
| Net assets at beginning of year | 18,418,127 |
| Net assets at end of year | \$ 18,677,106 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

| | General | District Debt Service | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|--------------------------|--------------------------------|--------------------------------|
| Assets: | | | | |
| Equity in pooled cash and investments | \$ 11,595,939 | \$ 10,141,784 | \$ 6,223,657 | \$ 27,961,380 |
| Cash with escrow agent | 61,658 | 21,881 | - | 83,539 |
| Cash with fiscal agent | - | - | 163,781 | 163,781 |
| Receivables: | | | | |
| Property taxes | 25,053,006 | 8,686,994 | 486,212 | 34,226,212 |
| School district income taxes. | 4,234,841 | - | - | 4,234,841 |
| Accounts | 144,518 | - | - | 144,518 |
| Intergovernmental | - | - | 459,271 | 459,271 |
| Accrued interest | 367,601 | - | - | 367,601 |
| Prepayments | 77,990 | - | 2,047 | 80,037 |
| Materials and supplies inventory | - | - | 83,039 | 83,039 |
| Restricted assets: | | | | |
| Equity in pooled cash and cash equivalents | 38,066 | - | - | 38,066 |
| Total assets | <u>\$ 41,573,619</u> | <u>\$ 18,850,659</u> | <u>\$ 7,418,007</u> | <u>\$ 67,842,285</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 538,503 | \$ - | \$ 292,737 | \$ 831,240 |
| Retainage payable | - | - | 163,781 | 163,781 |
| Accrued wages and benefits | 7,462,105 | - | 138,760 | 7,600,865 |
| Compensated absences payable | 231,174 | - | - | 231,174 |
| Pension obligation payable. | 1,498,573 | - | 106,194 | 1,604,767 |
| Intergovernmental payable | 437,596 | - | 23,936 | 461,532 |
| Matured bonds payable. | - | 20,000 | - | 20,000 |
| Matured interest payable | - | 1,881 | - | 1,881 |
| Deferred revenue | 22,395,770 | 7,669,728 | 811,710 | 30,877,208 |
| Total liabilities | <u>32,563,721</u> | <u>7,691,609</u> | <u>1,537,118</u> | <u>41,792,448</u> |
| Fund Balances: | | | | |
| Reserved for encumbrances. | 1,053,976 | - | 996,572 | 2,050,548 |
| Reserved for school bus purchase | 38,066 | - | - | 38,066 |
| Reserved for materials and supplies inventory | - | - | 83,039 | 83,039 |
| Reserved for property tax unavailable for appropriation. | 2,821,451 | 1,017,266 | 56,930 | 3,895,647 |
| Reserved for prepayments. | 77,990 | - | 2,047 | 80,037 |
| Reserved for debt service | - | 10,141,784 | 502,852 | 10,644,636 |
| Unreserved: | | | | |
| Designated for budget stabilization | 2,627,993 | - | - | 2,627,993 |
| Undesignated, reported in: | | | | |
| General fund. | 2,390,422 | - | - | 2,390,422 |
| Special revenue funds | - | - | 3,790,669 | 3,790,669 |
| Capital projects funds | - | - | 448,780 | 448,780 |
| Total fund balances. | <u>9,009,898</u> | <u>11,159,050</u> | <u>5,880,889</u> | <u>26,049,837</u> |
| Total liabilities and fund balances | <u>\$ 41,573,619</u> | <u>\$ 18,850,659</u> | <u>\$ 7,418,007</u> | <u>\$ 67,842,285</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006

| | | |
|--|--------------|----------------------|
| Total governmental fund balances | | \$ 26,049,837 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 115,021,526 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Taxes | \$ 1,493,212 | |
| Intergovernmental revenue | 382,428 | |
| Interest revenue | 164,215 | |
| Total | | 2,039,855 |
| Unamortized deferred charges are not recognized in the funds. | | 3,217,276 |
| Unamortized premiums on bond issuances are not recognized in the funds. | | (3,893,364) |
| Unamortized bond issuance costs are not recognized in the funds. | | 713,906 |
| In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due. | | (321,889) |
| 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 | 120,033,604 | |
| Compensated absences | 4,116,437 | |
| Total | | (124,150,041) |
| Net assets of governmental activities | | \$ 18,677,106 |

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, 2006

| | <u>General</u> | <u>District Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------------|----------------------------------|---|---|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 34,299,575 | \$ 8,169,543 | \$ 467,515 | \$ 42,936,633 |
| Tuition. | 286,273 | - | 99,571 | 385,844 |
| Charges for services. | - | - | 2,259,423 | 2,259,423 |
| Earnings on investments. | 1,195,948 | - | 81,775 | 1,277,723 |
| Classroom materials and fees. | - | - | 423,830 | 423,830 |
| Extracurricular. | - | - | 870,861 | 870,861 |
| Other local revenues. | 64,309 | - | 511,980 | 576,289 |
| Intergovernmental - State | 42,552,690 | 1,048,826 | 299,217 | 43,900,733 |
| Intergovernmental - Federal. | - | - | 2,389,178 | 2,389,178 |
| Total revenues. | <u>78,398,795</u> | <u>9,218,369</u> | <u>7,403,350</u> | <u>95,020,514</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 38,455,678 | - | 1,003,626 | 39,459,304 |
| Special. | 5,328,797 | - | 507,426 | 5,836,223 |
| Vocational. | 1,036,313 | - | - | 1,036,313 |
| Other | 1,796,253 | - | - | 1,796,253 |
| Support Services: | | | | |
| Pupil. | 3,469,051 | - | 477,134 | 3,946,185 |
| Instructional staff | 4,169,856 | - | 517,219 | 4,687,075 |
| Board of education | 494,627 | - | 1,748 | 496,375 |
| Administration. | 6,779,892 | - | 120,460 | 6,900,352 |
| Fiscal | 1,330,090 | 146,570 | 18,829 | 1,495,489 |
| Business | 173,830 | - | - | 173,830 |
| Operations and maintenance. | 7,685,747 | - | 43,271 | 7,729,018 |
| Pupil transportation | 4,415,913 | - | 180,475 | 4,596,388 |
| Central | 65,037 | - | 9,163 | 74,200 |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | 2,973,652 | 2,973,652 |
| Other non-instructional services. | - | - | 86,613 | 86,613 |
| Extracurricular activities | 1,467,482 | - | 973,209 | 2,440,691 |
| Facilities acquisition and construction | 510,985 | - | 1,726,799 | 2,237,784 |
| Debt service: | | | | |
| Principal retirement | - | 3,845,000 | 170,000 | 4,015,000 |
| Interest and fiscal charges | - | 3,514,891 | 46,988 | 3,561,879 |
| Bond issuance costs | - | 524,754 | - | 524,754 |
| Total expenditures | <u>77,179,551</u> | <u>8,031,215</u> | <u>8,856,612</u> | <u>94,067,378</u> |
| Excess of revenues over (under) expenditures | <u>1,219,244</u> | <u>1,187,154</u> | <u>(1,453,262)</u> | <u>953,136</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | - | - | 665,886 | 665,886 |
| Transfers (out) | (655,000) | - | (10,886) | (665,886) |
| Premium on refunding bonds | - | 3,459,639 | - | 3,459,639 |
| Issuance of refunding bonds | - | 67,779,907 | - | 67,779,907 |
| Payment to refunding bond escrow | - | (70,714,793) | - | (70,714,793) |
| Total other financing sources (uses) | <u>(655,000)</u> | <u>524,753</u> | <u>655,000</u> | <u>524,753</u> |
| Net change in fund balances | 564,244 | 1,711,907 | (798,262) | 1,477,889 |
| Fund balances at beginning of year | 8,445,654 | 9,447,143 | 6,666,284 | 24,559,081 |
| Increase in reserve for inventory | - | - | 12,867 | 12,867 |
| Fund balances at end of year | <u>\$ 9,009,898</u> | <u>\$ 11,159,050</u> | <u>\$ 5,880,889</u> | <u>\$ 26,049,837</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 YEAR ENDED JUNE 30, 2006

Net change in fund balances - total governmental funds \$ 1,477,889

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

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

| | | |
|---------------------------|-------------|--------------------|
| Capital asset additions | \$ 962,556 | |
| Current year depreciation | (4,791,573) | |
| Total | | (3,829,017) |

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

| | | |
|---------------------------|---------|----------------|
| Delinquent property taxes | 68,188 | |
| Intergovernmental | 376,719 | |
| Accrued interest | 92,318 | |
| Total | | 537,225 |

Governmental funds report expenditures for inventory when purchased, however on the statement of activities they are reported as an expense when consumed.

12,867

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

4,015,000

Payment refunding bond escrow is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.

67,780,000

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 increased interest being reported on the statement of activities:

| | | |
|--|-------------|--------------------|
| Increase in accrued interest payable | 73,523 | |
| Accreted interest on "capital appreciation" bonds | (1,999,000) | |
| Bond issuance costs incurred in the fiscal year | 524,754 | |
| Amortization of bond issuance costs | (33,935) | |
| Premium on bonds issued in the fiscal year | (3,459,639) | |
| Amortization on bond premiums | 141,125 | |
| Deferred charge on refunding incurred in fiscal year | 2,934,793 | |
| Amortization of deferred charge on refunding | (97,211) | |
| Total | | (1,915,590) |

The issuance of of bonds and notes are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.

(67,779,907)

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

(39,488)

Change in net assets of governmental activities \$ 258,979

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, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|----------------------------|----------------------------|-----------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 34,523,288 | \$ 34,523,288 | \$ 35,052,132 | \$ 528,844 |
| Tuition. | 270,000 | 270,000 | 286,273 | 16,273 |
| Earnings on investments. | 810,000 | 810,000 | 944,566 | 134,566 |
| Other local revenues. | 55,000 | 55,000 | 63,528 | 8,528 |
| Intergovernmental - State | 42,087,044 | 42,087,044 | 42,552,690 | 465,646 |
| Total revenues. | <u>77,745,332</u> | <u>77,745,332</u> | <u>78,899,189</u> | <u>1,153,857</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 38,515,928 | 38,515,928 | 38,477,563 | 38,365 |
| Special. | 5,388,142 | 5,388,142 | 5,340,325 | 47,817 |
| Vocational. | 1,055,196 | 1,055,196 | 1,055,143 | 53 |
| Other. | 1,948,053 | 1,948,053 | 1,927,521 | 20,532 |
| Support Services: | | | | |
| Pupil. | 3,582,549 | 3,582,549 | 3,574,292 | 8,257 |
| Instructional staff | 4,174,897 | 4,174,897 | 4,169,150 | 5,747 |
| Board of education | 504,085 | 504,085 | 486,307 | 17,778 |
| Administration. | 6,827,289 | 6,827,289 | 6,770,400 | 56,889 |
| Fiscal | 1,397,220 | 1,397,220 | 1,331,388 | 65,832 |
| Business | 203,529 | 203,529 | 180,666 | 22,863 |
| Operations and maintenance. | 7,877,305 | 7,877,305 | 7,748,848 | 128,457 |
| Pupil transportation | 4,877,550 | 4,877,550 | 4,768,496 | 109,054 |
| Central. | 75,691 | 75,691 | 71,365 | 4,326 |
| Extracurricular activities. | 1,449,822 | 1,449,822 | 1,424,082 | 25,740 |
| Facilities acquisition and construction. | 1,045,260 | 1,045,260 | 1,029,454 | 15,806 |
| Total expenditures | <u>78,922,516</u> | <u>78,922,516</u> | <u>78,355,000</u> | <u>567,516</u> |
| Excess of revenues over (under) expenditures. | <u>(1,177,184)</u> | <u>(1,177,184)</u> | <u>544,189</u> | <u>1,721,373</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year expenditure | 175,000 | 175,000 | 130,755 | (44,245) |
| Transfers (out) | (655,000) | (655,000) | (655,000) | - |
| Advances in. | 231,461 | 231,461 | 231,461 | - |
| Proceeds from sale of bonds | - | - | 171 | 171 |
| Total other financing sources (uses) | <u>(248,539)</u> | <u>(248,539)</u> | <u>(292,613)</u> | <u>(44,074)</u> |
| Net change in fund balance | (1,425,723) | (1,425,723) | 251,576 | 1,677,299 |
| Fund balance at beginning of year | 7,499,294 | 7,499,294 | 7,499,294 | - |
| Prior year encumbrances appropriated | 2,286,047 | 2,286,047 | 2,286,047 | - |
| Fund balance at end of year | <u>\$ 8,359,618</u> | <u>\$ 8,359,618</u> | <u>\$ 10,036,917</u> | <u>\$ 1,677,299</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2006

| | Private-Purpose Trust | |
|---|----------------------------------|---------------|
| | Scholarship | Agency |
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ 4,950 | \$ 127,372 |
| Total assets | 4,950 | \$ 127,372 |
| Liabilities: | | |
| Accounts payable. | - | \$ 2,787 |
| Deposits held and due to others | - | 2,069 |
| Due to students | - | 122,516 |
| Total liabilities | - | \$ 127,372 |
| Net Assets: | | |
| Held in trust for scholarships | 4,950 | |
| Total net assets | \$ 4,950 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | Private-Purpose Trust | |
|---|----------------------------------|---------|
| | Scholarship | |
| Deductions: | | |
| Scholarships awarded | \$ 2,000 | |
| Change in net assets | | (2,000) |
| Net assets at beginning of year. | 6,950 | |
| Net assets at end of year | \$ 4,950 | |

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, 2006**

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 ranks as the 17th largest by enrollment among the 615 public school districts in the State. The District employs 306 non-certified, 658 certified and 56 administrative employees to provide services to approximately 9,792 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, foods service, community services 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 organizations' government 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 have access to organizations 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. 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). The following organizations are described due to their relationship to the District:

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Education Council (MEC)

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

Eastland-Fairfield Career and Technical Schools (the "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 School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "GRP") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Metropolitan Educational Council Liability, Fleet and Property Program

The Metropolitan Educational Council Liability, Fleet and Property Program (the "MEC") is a group purchasing pool consisting of public school districts who are members of the MEC Purchasing Cooperative. The purpose of a group purchasing pool is for members to pool funds or resources to purchase group insurance products to provide liability, fleet and property insurance to participants at a lower rate than if the individual districts acted independently. Each district pays a monthly premium to the MEC for insurance coverage which is provided by Selective Insurance. The program is governed by a Board of Trustees elected in accordance with the Trust Agreement and voted on by participating MEC member districts. Financial information can be obtained from Elmo Kallner, who serves as administrator, at MEC, 2100 City Gate Drive, Columbus, OH 43219.

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, 2006**

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

GOVERNMENTAL FUNDS

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

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

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 debt service fund.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those accounted for in the building fund; (b) for food service and uniform school supplies operations; (c) for grants and other resources whose use is restricted to a particular purpose; and (d) for debt activity related to the Library bond issue.

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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

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

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

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

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

D. Basis of Accounting

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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

Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (see Note 16). 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.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair 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. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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 express 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 Commissions' Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final amended Certificates 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.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

F. Cash and Investments

To improve cash management, cash received by the District other than cash with fiscal agent or cash with escrow agent is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

During fiscal year 2006, investments were limited to nonnegotiable certificates of deposits, federal agency securities, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2006. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2006.

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund. 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 2006 amounted to \$1,195,948, which includes \$317,986 assigned from other District funds.

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

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

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. On the fund financial statements, inventories are accounted for using the purchase method while they are accounted for using the consumption method for government-wide reporting.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2006, the District maintained a capitalization threshold of \$5,000 dollars. 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:

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column on the statement of net assets. The District had no interfund receivables/payables at June 30, 2006.

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 9.

K. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability 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. 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 severance 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 severance 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. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. Accrued Liabilities and Long-Term Obligations

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

M. Fund Balance Reserves and Designation

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, debt service, prepayments, materials and supplies inventory, school bus purchases, and property taxes unavailable for appropriation. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute. A fund balance designation is reported for amounts set-aside by the District for budget stabilization.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

O. Prepayments

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

P. Estimates

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

Q. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. As of June 30, 2006, the District had restricted assets of \$38,066, which is described in Note 17.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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.

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2006.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 42, GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the District as previously reported at June 30, 2005.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances/retained earnings at June 30, 2006 included the following individual fund deficits:

| <u>Nonmajor Governmental Funds</u> | <u>Deficit</u> |
|------------------------------------|----------------|
| Ohio Reads | \$ 78 |
| Title III | 64 |
| Title VI | 119 |
| Miscellaneous Federal grants | 7,000 |

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustment 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 moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

A. Cash with Escrow Agent

At fiscal year-end \$163,781 was on deposit in retainage accounts related to the District's construction projects. These funds are included in the total amount of "Deposits with financial institutions" reported below.

B. Cash with Fiscal Agent

At fiscal year-end, \$21,881 was on deposit with Huntington National Bank for matured bonds payable.

At fiscal year-end, the District had a cash balance with the Ohio Mid-Eastern Regional Education Service Agency Self-funded Insurance Program (the "Program") of \$61,658. These amounts are maintained in checking accounts in the District's name and are 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, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

C. Deposits with Financial Institutions

At June 30, 2006, the carrying amount of all District deposits was \$11,104,863. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2006, \$11,004,741 of the District's bank balance of \$11,304,741 was exposed to custodial risk as discussed below, while \$300,000 was covered by Federal Deposit Insurance Corporation.

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

D. Investments

As of June 30, 2006, the District had the following investments and maturities:

| <u>Investment type</u> | <u>Fair Value</u> | <u>Investment Maturities</u> | | |
|------------------------|----------------------|------------------------------|-----------------------|------------------------|
| | | <u>6 months or less</u> | <u>7 to 12 months</u> | <u>13 to 18 months</u> |
| FHLB | \$ 999,477 | \$ 999,477 | \$ - | \$ - |
| FNMA | 1,473,571 | - | 981,932 | 491,639 |
| FNMA Discount Note | 1,974,257 | 1,974,257 | - | - |
| FHLMC Discount Note | 8,277,202 | 8,277,202 | - | - |
| STAR Ohio | 4,549,718 | 4,549,718 | - | - |
| | <u>\$ 17,274,225</u> | <u>\$ 15,800,654</u> | <u>\$ 981,932</u> | <u>\$ 491,639</u> |

The weighted average maturity of investments is .25 years.

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, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and AAAM money market rating.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2006:

| <u>Investment type</u> | <u>Fair Value</u> | <u>% of Total</u> |
|------------------------|----------------------|-------------------|
| FHLB | \$ 999,477 | 5.78 |
| FNMA | 1,473,571 | 8.53 |
| FNMA Discount Note | 1,974,257 | 11.43 |
| FHLMC Discount Note | 8,277,202 | 47.92 |
| STAR Ohio | 4,549,718 | 26.34 |
| | <u>\$ 17,274,225</u> | <u>100.00</u> |

E. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2006:

| <u>Cash and Investments per footnote</u> | |
|---|----------------------|
| Carrying amount of deposits | \$ 11,104,863 |
| Investments | 17,274,225 |
| Total | <u>\$ 28,379,088</u> |
| <u>Cash and investments per Statement of Net Assets</u> | |
| Governmental activities | \$ 28,246,766 |
| Private-purpose trust funds | 4,950 |
| Agency funds | 127,372 |
| Total | <u>\$ 28,379,088</u> |

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2006, consisted of the following, as reported on the fund financial statements:

| | |
|--|-------------------|
| Transfers to Nonmajor Governmental funds from: | |
| General fund | \$ 655,000 |
| Nonmajor Governmental Funds: | <u>10,886</u> |
| Total Transfers | <u>\$ 665,886</u> |

Transfers are used to (1) 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 (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from nonmajor governmental funds to nonmajor governmental funds was based on Ohio Department of Education Administrative action.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

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

All transfers made in fiscal year 2006 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the school district. All property taxes are collected on behalf of the District by the auditors of Fairfield and Franklin Counties. Fairfield County collects approximately 98% and Franklin County 2% of the District's taxes. Due and collection dates for taxes due during 2006 were:

| <u>Fairfield County</u> | <u>Franklin County</u> |
|-------------------------|------------------------|
| July 27, 2005 | January 20, 2006 |
| November 4, 2005 | January 25, 2006 |
| April 30, 2006 | June 20, 2006 |
| February 19, 2006 | |

Real property and tangible personal property taxes collected during fiscal year 2006 had a lien and levy date of January 1, 2005.

Assessed values are established by state law at 35% of appraised market value for real estate and public utility property taxes and at 25% for tangible personal property taxes. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in December 2001. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). The assessed values upon which fiscal year 2006 taxes were collected are:

| | <u>Calendar 2005 Second Half Collections</u> | <u>Calendar 2006 First Half Collections</u> |
|----------------------------|--|---|
| Real estate | \$ 925,853,450 | \$ 974,433,660 |
| Public utility | 15,297,650 | 15,671,040 |
| Tangible personal property | <u>14,857,540</u> | <u>10,671,040</u> |
| Total | <u>\$ 956,008,640</u> | <u>\$ 1,000,775,740</u> |

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .45% (4.5 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases. The total tax rate for the District was 76.90 mills in 2006.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 6 - PROPERTY TAXES - (Continued)

The Fairfield and Franklin County Treasurers collect property tax on behalf of the District. 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, 2006, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 2006. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current fiscal year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The amount available as an advance and recorded as revenue at June 30, 2006, was \$2,821,451 in the general fund, \$1,017,266 in the District Debt Service fund, and \$56,930 in the nonmajor governmental funds. The amount available as an advance and recorded as revenue at June 30, 2005, was \$3,839,738 in the general fund, \$1,443,793 in the District Debt Service fund, and \$84,550 in the nonmajor governmental funds.

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

Taxes available for advance and recognized as revenue, but not received by the District prior to June 30, are reflected as a reservation of fund balance. The District is prohibited by law from appropriating this revenue in accordance with Ohio Revised Code Section 5705.35, since an advance of revenue was not requested and received prior to the end of the fiscal year.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net assets follows:

| Governmental Activities | |
|--------------------------------|----------------------|
| Property taxes | \$ 34,226,212 |
| School district income taxes | 4,234,841 |
| Accounts | 3,257 |
| Intergovernmental | 600,532 |
| Accrued interest | <u>367,601</u> |
| Total | <u>\$ 39,432,443</u> |

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

| | Balance <u>June 30, 2005</u> | <u>Additions</u> | <u>Deductions</u> | Balance <u>June 30, 2006</u> |
|---|---------------------------------|-----------------------|---------------------|---------------------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 6,090,899 | \$ - | \$ - | \$ 6,090,899 |
| Construction in progress | <u>278,952</u> | <u>706,452</u> | <u>(985,404)</u> | <u>-</u> |
| Total capital assets, not being depreciated | <u>6,369,851</u> | <u>706,452</u> | <u>(985,404)</u> | <u>6,090,899</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 11,287,649 | 985,404 | - | 12,273,053 |
| Building and improvements | 134,625,390 | - | - | 134,625,390 |
| Furniture and equipment | 3,665,595 | 84,004 | - | 3,749,599 |
| Vehicles | <u>776,907</u> | <u>172,100</u> | <u>-</u> | <u>949,007</u> |
| Total capital assets, being depreciated | <u>150,355,541</u> | <u>1,241,508</u> | <u>-</u> | <u>151,597,049</u> |
| <i>Less: accumulated depreciation</i> | | | | |
| Land improvements | (2,650,754) | (549,672) | - | (3,200,426) |
| Building and improvements | (33,262,695) | (3,910,858) | - | (37,173,553) |
| Furniture and equipment | (1,698,091) | (259,757) | - | (1,957,848) |
| Vehicles | <u>(263,309)</u> | <u>(71,286)</u> | <u>-</u> | <u>(334,595)</u> |
| Total accumulated depreciation | <u>(37,874,849)</u> | <u>(4,791,573)</u> | <u>-</u> | <u>(42,666,422)</u> |
| Governmental activities capital assets, net | <u>\$ 118,850,543</u> | <u>\$ (2,843,613)</u> | <u>\$ (985,404)</u> | <u>\$ 115,021,526</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|----------------------------|---------------------|
| <u>Instruction:</u> | |
| Regular | \$ 3,251,167 |
| Special | 169,005 |
| Vocational | 16,462 |
| <u>Support Services:</u> | |
| Pupil | 109,986 |
| Instructional Staff | 258,595 |
| Board of Education | 5,360 |
| Administration | 63,293 |
| Operations and Maintenance | 229,144 |
| Pupil Transportation | 71,286 |
| Extracurricular Activities | 141,064 |
| Food Service Operation | <u>476,211</u> |
| Total depreciation expense | <u>\$ 4,791,573</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

The District has eight outstanding general obligation bond issues. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and construction of a public library. These general obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for in the statement of net assets. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's Debt Service fund. Public library refund bonds are being repaid from the library debt service fund (a nonmajor governmental fund). The following is a summary of the District's general obligation bonds outstanding at June 30, 2006:

| | <u>Balance</u> <u>June 30, 2005</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>June 30, 2006</u> |
|---|--|------------------|-------------------|--|
| General Obligation Bonds: | | | | |
| Series 1993, capital appreciation bonds | \$ 769,627 | \$ - | \$ - | \$ 769,627 |
| Series 1993, capital appreciation bonds accreted interest | 3,860,941 | 782,024 | - | 4,642,965 |
| Series 1994, current interest bonds | 2,500,000 | - | (440,000) | 2,060,000 |
| Series 1999, current interest bonds | 19,950,000 | - | (16,105,000) | 3,845,000 |
| Series 1999, capital appreciation bonds | 599,708 | - | - | 599,708 |
| Series 1999, capital appreciation bonds accreted interest | 399,025 | 82,631 | - | 481,656 |
| Series 2001, current interest bonds | 62,475,000 | - | (53,300,000) | 9,175,000 |
| Series 2001, capital appreciation bonds | 14,664,893 | - | - | 14,664,893 |
| Series 2001, capital appreciation bonds accreted interest | 2,890,139 | 903,762 | - | 3,793,901 |
| Public Library Refunding Bonds: | | | | |
| Series 2002, current interest bonds | 1,490,000 | - | (170,000) | 1,320,000 |
| Series 2002, capital appreciation bonds | 40,000 | - | - | 40,000 |
| Series 2002, capital appreciation bonds accreted interest | 16,054 | 7,821 | - | 23,875 |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

| | Balance | | | Balance |
|---|-----------------------|----------------------|------------------------|-----------------------|
| | <u>June 30, 2005</u> | <u>Additions</u> | <u>Reductions</u> | <u>June 30, 2006</u> |
| General Obligation Bonds: | | | | |
| Series 2003, current interest bonds | \$ 3,450,000 | \$ - | \$ (1,720,000) | \$ 1,730,000 |
| Series 2003, capital appreciation bonds | 1,314,998 | - | - | 1,314,998 |
| Series 2003, capital appreciation bonds accreted interest | 105,562 | 67,362 | - | 172,924 |
| Series 2004, current interest bonds | 7,355,000 | - | (60,000) | 7,295,000 |
| Series 2004, capital appreciation bonds | 144,994 | - | - | 144,994 |
| Series 2004, capital appreciation bonds accreted interest | 23,756 | 25,370 | - | 49,126 |
| Series 2006, current interest refunding bonds | - | 62,670,000 | - | 62,670,000 |
| Series 2006, capital appreciation bonds | - | 5,109,907 | - | 5,109,907 |
| Series 2006, capital appreciation bonds accreted interest | - | 130,030 | - | 130,030 |
| Total general obligation bonds | <u>\$ 122,049,697</u> | <u>\$ 69,778,907</u> | <u>\$ (71,795,000)</u> | <u>\$ 120,033,604</u> |

Series 1993 General Obligation Bonds:

On March 15, 1993, the District issued general obligation bonds to provide funds for the construction of a new high school.

This issue is comprised of both current interest bonds, par value \$20,000,000, and capital appreciation bonds, par value \$11,400,000. The interest rates on the current interest bonds range from 3.0% to 5.55%. The capital appreciation bonds mature on each December 1 beginning in 2009 through 2014. The capital appreciation bonds have effective interest rates ranging from 15.80% to 15.90% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$769,627. A total of \$4,642,965 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2006.

Series 1994 General Obligation Bonds:

On February 1, 1994, the District issued current interest general obligation bonds to finance a new elementary school building, various additions to other school buildings, and technology equipment district-wide. These bonds bear an interest rate of 5.21% and mature on December 1, 2019.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 1999 General Obligation Bonds:

On January 1, 1999, the District issued general obligation bonds to provide funds for acquiring and constructing two new middle schools, renovating the old middle school, furnishing and equipping the same, and providing related facilities, appurtenances, and site improvements, site acquisition and portable classrooms.

This issue is comprised of both current interest bonds, par value \$23,400,000, and capital appreciation bonds, par value \$1,740,000. The interest rates on the current interest bonds range from 3.10% to 5.00%. The capital appreciation bonds mature on December 1, 2011 (effective interest 8.38%) and December 1, 2012 (effective interest 8.16%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$599,708. A total of \$481,656 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2006.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2025.

Series 2001 General Obligation Bonds:

On November 1, 2001, the District issued \$77,499,893 in general obligation bonds to provide for constructing, furnishing, and equipping a new high school building, new junior high school building, with related facilities, appurtenances, and site improvements thereto, and acquiring land for school purposes.

This issue is comprised of both current interest bonds, par value \$62,835,000, and capital appreciation bonds, par value \$26,880,000. The interest rates on the current interest bonds range from 3.00% to 5.25%. The capital appreciation bonds mature on each December 1 beginning in 2010 through 2016. The capital appreciation bonds have effective interest rates ranging from 5.14% to 5.15% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$14,664,893. A total of \$3,793,901 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2006.

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

Series 2002 Refunding General Obligation Bonds

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

The refunding issue is comprised of both current interest bonds, par value \$1,840,000, and capital appreciation bonds, par value \$40,000. The average interest rate on the current interest bonds is 3.08%. The capital appreciation bonds mature each December 1, 2015 and 2016 (effective interest 13.95%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$40,000. Total accreted interest of \$23,875 has been included in the statement of net assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2013.

Series 2003 Refunding General Obligation Bonds

On October 1, 2003, the District issued general obligation bonds (Refunding Bonds, Series 2003) to currently refund \$6,415,000 of the Series 1993 Current Interest Bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$5,100,000, and capital appreciation bonds, par value \$1,314,998. The average interest rate on the current interest bonds is 2.50%. The capital appreciation bonds mature December 1, 2007 (effective interest 2.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$1,314,998. Total accreted interest of \$172,924 has been included on the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by \$128,300. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2006.

Series 2004 Refunding General Obligation Bonds

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

The refunding issue is comprised of both current interest bonds, par value \$7,355,000, and capital appreciation bonds, par value \$144,994. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2016 (effective interest 14.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$144,994. Total accreted interest of \$49,126 has been included on the statement of activities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

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 1991 Current Interest General Obligation Bonds (principal \$15,425,000; interest rate of 3.10 to 5.0%) and the Series 2001 Current Interest General Obligation Bonds (principal \$52,355,000; interest rate 3.0 to 5.25%). The issuance proceeds of \$67,779,907 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$62,670,000, and capital appreciation bonds, par value \$5,109,907. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2017, December 1, 2018 and December 1, 2019 (effective interest 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2006 was \$5,109,907. Total accreted interest of \$130,030 has been included on the statement of activities.

The reacquisition price exceeded the net carrying amount of the old debt by \$67,780,000. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next twenty-three years by \$2,428,007 and resulted in an economic gain of \$2,270,346.

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

| Year Ended | Current Interest Bonds | | | Capital Appreciation Bonds | | |
|-------------|------------------------|----------------------|-----------------------|----------------------------|----------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2007 | \$ 5,595,000 | \$ 4,005,031 | \$ 9,600,031 | \$ - | \$ - | \$ - |
| 2008 | 4,165,000 | 3,813,793 | 7,978,793 | 1,314,998 | 280,002 | 1,595,000 |
| 2009 | 4,975,000 | 3,628,653 | 8,603,653 | 168,873 | 1,606,127 | 1,775,000 |
| 2010 | 5,325,000 | 3,412,055 | 8,737,055 | 153,469 | 1,721,531 | 1,875,000 |
| 2011 | 2,395,000 | 2,846,447 | 5,241,447 | 2,563,932 | 3,621,068 | 6,185,000 |
| 2012 - 2016 | 11,210,000 | 12,997,063 | 24,207,063 | 11,369,147 | 15,095,853 | 26,465,000 |
| 2017 - 2021 | 10,160,000 | 8,414,281 | 18,574,281 | 7,073,708 | 14,506,292 | 21,580,000 |
| 2022 - 2026 | 28,860,000 | 6,443,794 | 35,303,794 | - | - | - |
| 2027 - 2029 | 15,410,000 | 1,020,412 | 16,430,412 | - | - | - |
| Total | <u>\$ 88,095,000</u> | <u>\$ 46,581,529</u> | <u>\$ 134,676,529</u> | <u>\$ 22,644,127</u> | <u>\$ 36,830,873</u> | <u>\$ 59,475,000</u> |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

C. During the fiscal year 2006, the following changes occurred in governmental activities long-term obligations:

| | <u>Balance Outstanding June 30, 2005</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance Outstanding June 30, 2006</u> | <u>Amounts Due in One Year</u> |
|--|--|----------------------|------------------------|--|--|
| Governmental Activities: | | | | | |
| <u>General Obligation Bonds:</u> | | | | | |
| General obligation bonds | \$ 122,049,697 | \$ 69,778,907 | \$ (71,795,000) | \$ 120,033,604 | \$ 5,595,000 |
| Total general obligation bonds payable | <u>122,049,697</u> | <u>69,778,907</u> | <u>(71,795,000)</u> | <u>120,033,604</u> | <u>5,595,000</u> |
| <u>Other Long-Term Obligations:</u> | | | | | |
| Compensated absences | <u>4,159,037</u> | <u>762,579</u> | <u>(574,005)</u> | <u>4,347,611</u> | <u>743,262</u> |
| Total other long-term obligations | <u>4,159,037</u> | <u>762,579</u> | <u>(574,005)</u> | <u>4,347,611</u> | <u>743,262</u> |
| Total governmental activities | <u>\$ 126,208,734</u> | <u>\$ 70,541,486</u> | <u>\$ (72,369,005)</u> | <u>\$ 124,381,215</u> | <u>\$ 6,338,262</u> |
| Less: Unamortized deferred charge on refunding | | | | (3,217,276) | |
| Add: Unamortized premium on refunding | | | | <u>3,893,364</u> | |
| Total on statement of net assets | | | | <u>\$ 125,057,303</u> | |

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.

D. Legal Debt Margin

Section 133.06 of the Ohio Revised Code provides that the principal amount of both voted and unvoted general obligation debt of a school district, exclusive of exempt debt, may not exceed nine percent of the total value of all property in the school district as listed and assessed for taxation.

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% 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 Pickerington Local School District was determined to be a "special needs" district on March 28, 1989. The determination was confirmed on October 5, 2000.

In addition, the unvoted net debt of a school district cannot exceed 0.1% of the total assessed value of property. On June 30, 2006 the District had no unvoted debt.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

E. State Loans

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

NOTE 10 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. Classified employees earn twelve to twenty days of vacation per year, with a maximum accrual of 45 to 60 days, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 61 days for both certificated and classified employees. An employee receiving such payment must meet the retirement provisions set by STRS and SERS.

NOTE 11 - 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 MEC Liability, Fleet and Property Program beginning July 1, 2004. The program provides coverage for the group through excess liability for \$250,000,000. The following is the District's insurance coverage through the group purchasing program described in Note 2.A:

Total policy coverage - includes the following:

| | |
|---|---------------|
| Property limit (\$1,000 deductible) | \$250,000,000 |
| Boiler and Machinery (\$2,500 deductible) | 50,000,000 |
| Automobile liability (\$1,000 deductible) | 1,000,000 |
| Uninsured/underinsured motorist | 1,000,000 |
| Medical payments | 5,000 |
| Public Employee Dishonesty | 500,000 |
| General school district liability: | |
| Per occurrence | 1,000,000 |
| Total per year | 3,000,000 |
| Excess liability | 5,000,000 |

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 11 - RISK MANAGEMENT - (Continued)

B. Group Health and Dental Insurance

Health, life and dental group insurance is offered to employees as a fringe benefit. Employer and employee contributions to premium are determined by negotiated agreements with employee labor unions (currently, single coverage is 95% Board-paid and 5% employee-paid capped at \$15.00/month and family coverage is 90% Board-paid and 10% employee-paid capped at \$75.00/month).

In 2006, the District switched its dental benefits to Met Life. This is a fully funded plan in which the Board picks up no more than \$55.00 of the monthly premium, with employees paying the additional cost on a monthly basis through payroll deductions.

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

C. OSBA Group Workers' Compensation Rating Plan

For fiscal year 2006, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 12 - PENSION PLANS

A. School Employees Retirement System

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - PENSION PLANS - (Continued)

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004 were \$783,498, \$709,354, and \$549,272, respectively; 49% has been contributed for fiscal year 2006 and 100% for the fiscal years 2005 and 2004. \$396,487 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - PENSION PLANS - (Continued)

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004 were \$5,430,187, \$5,044,670, and \$4,712,480, respectively; 84% has been contributed for fiscal year 2006 and 100% for the fiscal years 2005 and 2004. \$872,697 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal 2006 were \$84,852 made by the District and \$157,977 made by plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS Ohio have an option to choose Social Security or the SERS/ STRS Ohio. As of June 30, 2006, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS Ohio retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$417,707 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.3 billion. For the fiscal year ended June 30, 2005 (the latest information available), net health care costs paid by STRS Ohio were \$254.780 million and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of 0.01 percent from fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, District paid \$429,067 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178.221 million. At June 30, 2005 (the latest information available), SERS had net assets available for payment of health care benefits of \$267.5 million, which is about 168 percent of next years projected net health care costs of \$158.776 million. On the basis of actuarial projections, the allocated contributions will be insufficient in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has 58,123 participants currently receiving health care benefits.

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

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:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

Net Change in Fund Balance

| | <u>General Fund</u> |
|---|---------------------|
| Budget basis | \$ 251,576 |
| Net adjustment for revenue accruals | (500,394) |
| Net adjustment for expenditure accruals | (191,227) |
| Net adjustment for other sources/uses | (362,387) |
| Adjustment for encumbrances | <u>1,366,676</u> |
| GAAP basis | <u>\$ 564,244</u> |

NOTE 15 - 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 a party to legal proceedings which the outcome is unknown at this time.

NOTE 16 - SCHOOL DISTRICT INCOME TAX

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2006, the District income tax generated \$10,830,531 in revenue. The District apportions all the proceeds to the general fund.

NOTE 17 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2006, the reserve activity was as follows:

| | <u>Textbooks/ Instructional Materials</u> | <u>Capital Acquisition</u> |
|---|---|--------------------------------|
| Set-aside carry forward as of June 30, 2005 | \$ (4,045,332) | \$ (85,678,532) |
| Current year set-aside requirement | 1,364,569 | 1,364,569 |
| Qualifying disbursements | <u>(1,944,221)</u> | <u>(2,179,586)</u> |
| Total | <u>\$ (4,624,984)</u> | <u>\$ (86,493,549)</u> |
| Balance carried forward to FY 2007 | <u>\$ (4,624,984)</u> | <u>\$ (85,678,532)</u> |

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 17 - STATUTORY RESERVES - (Continued)

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbooks/instructional materials and capital acquisition reserves, these extra amounts may be used to reduce the set-aside requirements for future years. The negative amounts are therefore presented as being carried forward to the next fiscal year.

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

A schedule of the restricted assets at June 30, 2006 follows:

| | |
|--|------------------|
| Amount restricted for school bus purchases | <u>\$ 38,066</u> |
|--|------------------|

In a previous year, the District's Board of Education elected to designate \$2,627,993 for budget stabilization. Unless repealed, these funds may only be spent on designated purposes relating to budget stabilization.

NOTE 18 – SIGNIFICANT SUBSEQUENT EVENT

On November 7, 2006, the voters passed a 3.8 mil levy for construction and renovation of school facilities.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

MAJOR FUNDS

General Fund

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, no additional financial statements are presented here.

District Debt Service Fund

A fund used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds 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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|-----------------------------------|-------------------------|---------------------|----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| District Debt Service | | | | |
| Total Revenues and Other Sources | \$ 9,488,500 | \$ 80,356,789 | \$ 80,666,679 | \$ 309,890 |
| Total Expenditures and Other Uses | 8,484,188 | \$ 78,528,244 | \$ 78,528,245 | (1) |
| Net Change in Fund Balances | 1,004,312 | 1,828,545 | 2,138,434 | 309,889 |
| Fund Balance, July 1 | 8,003,350 | 8,003,350 | 8,003,350 | - |
| Fund Balance, June 30 | <u>\$ 9,007,662</u> | <u>\$ 9,831,895</u> | <u>\$ 10,141,784</u> | <u>\$ 309,889</u> |

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 4,303,671 | \$ 502,852 | \$ 1,417,134 | \$ 6,223,657 |
| Cash with fiscal agent | - | - | 163,781 | 163,781 |
| Receivables: | | | | |
| Property taxes | 352,373 | 133,839 | - | 486,212 |
| Intergovernmental | 459,271 | - | - | 459,271 |
| Prepayments. | 2,047 | - | - | 2,047 |
| Materials and supplies inventory | 83,039 | - | - | 83,039 |
| Total assets. | \$ 5,200,401 | \$ 636,691 | \$ 1,580,915 | \$ 7,418,007 |
| Liabilities: | | | | |
| Accounts payable. | \$ 200,272 | \$ - | \$ 92,465 | \$ 292,737 |
| Retainage payable | - | - | 163,781 | 163,781 |
| Accrued wages and benefits | 138,760 | - | - | 138,760 |
| Pension obligation payable. | 106,194 | - | - | 106,194 |
| Intergovernmental payable | 23,936 | - | - | 23,936 |
| Deferred revenue. | 693,600 | 118,110 | - | 811,710 |
| Total liabilities. | 1,162,762 | 118,110 | 256,246 | 1,537,118 |
| Fund balances: | | | | |
| Reserved for encumbrances. | 120,683 | - | 875,889 | 996,572 |
| Reserved for materials and supplies inventory | 83,039 | - | - | 83,039 |
| Reserved for property tax unavailable for appropriation. | 41,201 | 15,729 | - | 56,930 |
| Reserved for prepayments. | 2,047 | - | - | 2,047 |
| Reserved for debt service | - | 502,852 | - | 502,852 |
| Unreserved-undesignated: | | | | |
| Special revenue funds | 3,790,669 | - | - | 3,790,669 |
| Capital projects funds | - | - | 448,780 | 448,780 |
| Total fund balances | 4,037,639 | 518,581 | 1,324,669 | 5,880,889 |
| Total liabilities and fund balances. | \$ 5,200,401 | \$ 636,691 | \$ 1,580,915 | \$ 7,418,007 |

**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, 2006

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|--------------------------------------|----------------------------------|---------------------------------------|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 329,344 | \$ 138,171 | \$ - | \$ 467,515 |
| Tuition | 99,571 | - | - | 99,571 |
| Charges for services | 2,259,423 | - | - | 2,259,423 |
| Earnings on investments | 21,668 | - | 60,107 | 81,775 |
| Classroom materials and fees | 423,830 | - | - | 423,830 |
| Extracurricular | 870,861 | - | - | 870,861 |
| Other local revenues | 387,840 | - | 124,140 | 511,980 |
| Intergovernmental - State | 188,712 | 18,729 | 91,776 | 299,217 |
| Intergovernmental - Federal | 2,389,178 | - | - | 2,389,178 |
| Total revenues | <u>6,970,427</u> | <u>156,900</u> | <u>276,023</u> | <u>7,403,350</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 1,003,626 | - | - | 1,003,626 |
| Special | 507,426 | - | - | 507,426 |
| Support services: | | | | |
| Pupil | 477,134 | - | - | 477,134 |
| Instructional staff | 421,457 | - | 95,762 | 517,219 |
| Board of Education | 1,748 | - | - | 1,748 |
| Administration | 120,460 | - | - | 120,460 |
| Fiscal | 16,351 | 2,478 | - | 18,829 |
| Operations and maintenance | 26,052 | - | 17,219 | 43,271 |
| Pupil transportation | 180,475 | - | - | 180,475 |
| Central | 9,163 | - | - | 9,163 |
| Operation of non-instructional services: | | | | |
| Food service operations | 2,973,652 | - | - | 2,973,652 |
| Other non-instructional services | 86,613 | - | - | 86,613 |
| Extracurricular activities | 973,209 | - | - | 973,209 |
| Facilities acquisition and construction | 182,658 | - | 1,544,141 | 1,726,799 |
| Debt service: | | | | |
| Principal retirement | - | 170,000 | - | 170,000 |
| Interest and fiscal charges | - | 46,988 | - | 46,988 |
| Total expenditures | <u>6,980,024</u> | <u>219,466</u> | <u>1,657,122</u> | <u>8,856,612</u> |
| Excess of revenues over (under) expenditures | <u>(9,597)</u> | <u>(62,566)</u> | <u>(1,381,099)</u> | <u>(1,453,262)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 285,886 | - | 380,000 | 665,886 |
| Transfers (out) | (10,886) | - | - | (10,886) |
| Total other financing sources (uses) | <u>275,000</u> | <u>-</u> | <u>380,000</u> | <u>655,000</u> |
| Net change in fund balances | 265,403 | (62,566) | (1,001,099) | (798,262) |
| Fund balances, July 1 | 3,759,369 | 581,147 | 2,325,768 | 6,666,284 |
| Increase in reserve for inventory | 12,867 | - | - | 12,867 |
| Fund balances, June 30 | <u>\$ 4,037,639</u> | <u>\$ 518,581</u> | <u>\$ 1,324,669</u> | <u>\$ 5,880,889</u> |

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

Nonmajor Special Revenue Funds

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

Food Services Fund

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

School Trusts Fund

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

Uniform School Supplies Fund

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 Fund

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

Other Local Grants Fund

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

Facility Maintenance Fund

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

Termination Benefits Fund

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

Student Activity Fund

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

Staff Training Fund

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

Educational Management Information System (EMIS) Fund

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

Entry Year Programs Fund

A fund to account for the implementation of entry-year programs.

Data Communication Fund

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

SchoolNet Professional Development Fund

A fund provided to account for state funds received to provide professional development programs related to technology

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

Nonmajor Special Revenue Funds (Continued)

Ohio Reads Fund

A fund provided to account for monies use to develop reading skills funded by the State of Ohio, Department of Education.

Summer School Subsidy Fund

A fund provided to account for monies received for summer intervention services.

Miscellaneous State Grants Fund

A fund provided to account for environmental education to support children and adults in protecting the environment and conserving its natural resources funded by the State of Ohio, Environmental Protection Agency.

Education of Handicapped Children, Title VI-B Fund

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

Limited English Proficiency, Title III Fund

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

Title I Fund

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

Title VI Fund

A fund which accounts for Federal funds which consolidates various programs into a single authorization used in accordance with the educational needs and priorities of the District.

Drug Free School Grant Fund

A fund which accounts for Federal funds used to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in the District.

Reducing Class Size, Title VI-R Fund

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

Miscellaneous Federal Grants Fund

To account for federal grants not classified elsewhere.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2006

| | <u>Food Services</u> | <u>School Trusts</u> | <u>Uniform School Supplies</u> | <u>Public School Support</u> |
|---|--------------------------|--------------------------|------------------------------------|----------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 939,873 | \$ 16,154 | \$ 122,852 | \$ 202,110 |
| Receivables: | | | | |
| Property taxes | - | - | - | - |
| Intergovernmental | 76,843 | - | - | - |
| Prepayments. | 2,047 | - | - | - |
| Materials and supplies inventory | 83,039 | - | - | - |
| Total assets. | <u>\$ 1,101,802</u> | <u>\$ 16,154</u> | <u>\$ 122,852</u> | <u>\$ 202,110</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 134,153 | \$ 238 | \$ 11,612 | \$ 2,657 |
| Accrued wages and benefits | 138,760 | - | - | - |
| Pension obligation payable. | 106,194 | - | - | - |
| Intergovernmental payable | 17,149 | - | - | - |
| Deferred revenue. | - | - | - | - |
| Total liabilities. | <u>396,256</u> | <u>238</u> | <u>11,612</u> | <u>2,657</u> |
| Fund balances (deficits): | | | | |
| Reserved for encumbrances | 58,293 | 33 | 13,210 | 4,860 |
| Reserved for materials and supplies inventory . . . | 83,039 | - | - | - |
| Reserved for property tax unavailable for appropriation. | - | - | - | - |
| Reserved for prepayments | 2,047 | - | - | - |
| Unreserved-undesignated (deficits) | 562,167 | 15,883 | 98,030 | 194,593 |
| Total fund balances (deficits) | <u>705,546</u> | <u>15,916</u> | <u>111,240</u> | <u>199,453</u> |
| Total liabilities and fund balances. | <u>\$ 1,101,802</u> | <u>\$ 16,154</u> | <u>\$ 122,852</u> | <u>\$ 202,110</u> |

| <u>Other Local Grants</u> | <u>Facilities Maintenance</u> | <u>Termination Benefits</u> | <u>Student Activity</u> | <u>Staff Training</u> | <u>EMIS</u> | <u>Entry Year Programs</u> | <u>School Net Professional Development</u> |
|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------|------------------|--------------------------------|--|
| \$ 437,519 | \$ 1,562,520 | \$ 475,000 | \$ 333,954 | \$ 436 | \$ 39,328 | \$ 713 | \$ 1,425 |
| - | 352,373 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 437,519</u> | <u>\$ 1,914,893</u> | <u>\$ 475,000</u> | <u>\$ 333,954</u> | <u>\$ 436</u> | <u>\$ 39,328</u> | <u>\$ 713</u> | <u>\$ 1,425</u> |
| \$ 1,055 | \$ 719 | \$ - | \$ 22,892 | \$ 238 | \$ 1,150 | \$ 338 | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 3,500 | - | - | - | 2 | - | 146 | 9 |
| - | 311,172 | - | - | - | - | - | - |
| <u>4,555</u> | <u>311,891</u> | <u>-</u> | <u>22,892</u> | <u>240</u> | <u>1,150</u> | <u>484</u> | <u>9</u> |
| 377 | 18,484 | - | 6,927 | - | - | 374 | - |
| - | - | - | - | - | - | - | - |
| - | 41,201 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>432,587</u> | <u>1,543,317</u> | <u>475,000</u> | <u>304,135</u> | <u>196</u> | <u>38,178</u> | <u>(145)</u> | <u>1,416</u> |
| <u>432,964</u> | <u>1,603,002</u> | <u>475,000</u> | <u>311,062</u> | <u>196</u> | <u>38,178</u> | <u>229</u> | <u>1,416</u> |
| <u>\$ 437,519</u> | <u>\$ 1,914,893</u> | <u>\$ 475,000</u> | <u>\$ 333,954</u> | <u>\$ 436</u> | <u>\$ 39,328</u> | <u>\$ 713</u> | <u>\$ 1,425</u> |

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2006

| | <u>Ohio Reads</u> | <u>Summer School Subsidy</u> | <u>Miscellaneous State Grants</u> | <u>Title VI - B</u> |
|---|-----------------------|----------------------------------|---------------------------------------|---------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ - | \$ 1,552 | \$ 40,641 | \$ 113,104 |
| Receivables: | | | | |
| Property taxes - current & delinquent | - | - | - | - |
| Intergovernmental | - | - | 5,000 | 363,480 |
| Prepayments. | - | - | - | - |
| Materials and supplies inventory | - | - | - | - |
| Total assets. | <u>\$ -</u> | <u>\$ 1,552</u> | <u>\$ 45,641</u> | <u>\$ 476,584</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ - | \$ - | \$ 6,566 | \$ 11,722 |
| Accrued wages and benefits | - | - | - | - |
| Pension obligation payable. | - | - | - | - |
| Intergovernmental payable | 78 | - | 25 | 1,277 |
| Deferred revenue. | - | - | 5,000 | 363,480 |
| Total liabilities. | <u>78</u> | <u>-</u> | <u>11,591</u> | <u>376,479</u> |
| Fund balances (deficits): | | | | |
| Reserved for encumbrances | - | - | 1,032 | 11,574 |
| Reserved for materials and supplies inventory | - | - | - | - |
| Reserved for property tax | - | - | - | - |
| unavailable for appropriation. | - | - | - | - |
| Reserved for prepayments | - | - | - | - |
| Unreserved-undesignated (deficits) | <u>(78)</u> | <u>1,552</u> | <u>33,018</u> | <u>88,531</u> |
| Total fund balances (deficits) | <u>(78)</u> | <u>1,552</u> | <u>34,050</u> | <u>100,105</u> |
| Total liabilities and fund balances. | <u>\$ -</u> | <u>\$ 1,552</u> | <u>\$ 45,641</u> | <u>\$ 476,584</u> |

| <u>Title III</u> | <u>Title I</u> | <u>Title VI</u> | <u>Title VI-R</u> | <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|------------------|-----------------|-----------------|-------------------|---|---|
| \$ 82 | \$ 2,058 | \$ - | \$ 14,350 | \$ - | \$ 4,303,671 |
| - | - | - | - | - | 352,373 |
| - | - | - | 10,698 | 3,250 | 459,271 |
| - | - | - | - | - | 2,047 |
| - | - | - | - | - | 83,039 |
| <u>\$ 82</u> | <u>\$ 2,058</u> | <u>\$ -</u> | <u>\$ 25,048</u> | <u>\$ 3,250</u> | <u>\$ 5,200,401</u> |
| \$ 40 | \$ - | \$ - | \$ - | \$ 6,892 | \$ 200,272 |
| - | - | - | - | - | 138,760 |
| - | - | - | - | - | 106,194 |
| 106 | 1,028 | 119 | 389 | 108 | 23,936 |
| - | - | - | 10,698 | 3,250 | 693,600 |
| <u>146</u> | <u>1,028</u> | <u>119</u> | <u>11,087</u> | <u>10,250</u> | <u>1,162,762</u> |
| 42 | - | - | 5,477 | - | 120,683 |
| - | - | - | - | - | 83,039 |
| - | - | - | - | - | 41,201 |
| - | - | - | - | - | 2,047 |
| <u>(106)</u> | <u>1,030</u> | <u>(119)</u> | <u>8,484</u> | <u>(7,000)</u> | <u>3,790,669</u> |
| <u>(64)</u> | <u>1,030</u> | <u>(119)</u> | <u>13,961</u> | <u>(7,000)</u> | <u>4,037,639</u> |
| <u>\$ 82</u> | <u>\$ 2,058</u> | <u>\$ -</u> | <u>\$ 25,048</u> | <u>\$ 3,250</u> | <u>\$ 5,200,401</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Food Services</u> | <u>School Trusts</u> | <u>Uniform School Supplies</u> | <u>Public School Support</u> |
|---|--------------------------|--------------------------|------------------------------------|----------------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Tuition | - | - | - | 99,571 |
| Charges for services | 2,259,423 | - | - | - |
| Earnings on investments | 21,668 | - | - | - |
| Classroom materials and fees. | - | - | 423,830 | - |
| Extracurricular | - | - | - | - |
| Other local revenues | - | 7,325 | - | 83,143 |
| Intergovernmental - State | 11,649 | - | - | - |
| Intergovernmental - Federal | 824,617 | - | - | - |
| Total revenues | <u>3,117,357</u> | <u>7,325</u> | <u>423,830</u> | <u>182,714</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | 2,418 | 452,080 | - |
| Special | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff. | - | 2,080 | - | 90,847 |
| Board of Education. | - | - | - | - |
| Administration | - | - | - | - |
| Fiscal. | - | - | - | - |
| Operations and maintenance | - | - | - | 892 |
| Pupil transportation | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | 2,973,652 | - | - | - |
| Other non-instructional services. | - | - | - | 78,322 |
| Extracurricular activities | - | 5,000 | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Total expenditures. | <u>2,973,652</u> | <u>9,498</u> | <u>452,080</u> | <u>170,061</u> |
| Excess of revenues over (under) expenditures | <u>143,705</u> | <u>(2,173)</u> | <u>(28,250)</u> | <u>12,653</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | - | - | - | - |
| Transfers (out) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances. | 143,705 | (2,173) | (28,250) | 12,653 |
| Fund balances, July 1. | 548,974 | 18,089 | 139,490 | 186,800 |
| Increase in reserve for inventory. | 12,867 | - | - | - |
| Fund balances (deficits), June 30 | <u>\$ 705,546</u> | <u>\$ 15,916</u> | <u>\$ 111,240</u> | <u>\$ 199,453</u> |

| <u>Other Local Grants</u> | <u>Facility Maintenance</u> | <u>Termination Benefits</u> | <u>Student Activity</u> | <u>Staff Training</u> | <u>EMIS</u> | <u>Entry Year Programs</u> | <u>Data Communication</u> |
|-----------------------------------|---------------------------------|---------------------------------|-----------------------------|---------------------------|------------------|--------------------------------|-------------------------------|
| \$ - | \$ 329,344 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 436,027 | - | - | 434,834 | - | - | - | - |
| 165,059 | - | - | 132,313 | - | - | - | - |
| - | 41,282 | - | - | 2,500 | 32,647 | 28,000 | 33,000 |
| - | - | - | - | - | - | - | - |
| <u>601,086</u> | <u>370,626</u> | <u>-</u> | <u>567,147</u> | <u>2,500</u> | <u>32,647</u> | <u>28,000</u> | <u>33,000</u> |
| 126,952 | - | - | - | - | - | 31,273 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,023 | - | - | - | 2,304 | - | - | 33,000 |
| 1,748 | - | - | - | - | - | - | - |
| - | - | - | 896 | - | 23,834 | - | - |
| - | 5,646 | - | - | - | 10,705 | - | - |
| - | - | - | 18,325 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 9,163 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 449,363 | - | - | 518,846 | - | - | - | - |
| - | 70,873 | - | - | - | - | - | - |
| <u>579,086</u> | <u>76,519</u> | <u>-</u> | <u>538,067</u> | <u>2,304</u> | <u>43,702</u> | <u>31,273</u> | <u>33,000</u> |
| 22,000 | 294,107 | - | 29,080 | 196 | (11,055) | (3,273) | - |
| - | - | 275,000 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 275,000 | - | - | - | - | - |
| 22,000 | 294,107 | 275,000 | 29,080 | 196 | (11,055) | (3,273) | - |
| 410,964 | 1,308,895 | 200,000 | 281,982 | - | 49,233 | 3,502 | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 432,964</u> | <u>\$ 1,603,002</u> | <u>\$ 475,000</u> | <u>\$ 311,062</u> | <u>\$ 196</u> | <u>\$ 38,178</u> | <u>\$ 229</u> | <u>\$ -</u> |

-- Continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>School Net Professional Development</u> | <u>Ohio Reads</u> | <u>Summer School Subsidy</u> | <u>Miscellaneous State Grants</u> |
|---|--|-----------------------|----------------------------------|---------------------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Tuition | - | - | - | - |
| Charges for services | - | - | - | - |
| Earnings on investments | - | - | - | - |
| Classroom materials and fees. | - | - | - | - |
| Extracurricular | - | - | - | - |
| Other local revenues | - | - | - | - |
| Intergovernmental - State | 3,925 | 10,000 | 709 | 25,000 |
| Intergovernmental - Federal | - | - | - | - |
| Total revenues | <u>3,925</u> | <u>10,000</u> | <u>709</u> | <u>25,000</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | - | 17,326 | 3,470 |
| Special | - | - | - | 522 |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff. | 3,400 | 10,002 | 206 | 15,137 |
| Board of Education. | - | - | - | - |
| Administration | - | - | - | - |
| Fiscal. | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services: | | | | |
| Food service operations | - | - | - | - |
| Other non-instructional services. | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Total expenditures. | <u>3,400</u> | <u>10,002</u> | <u>17,532</u> | <u>19,129</u> |
| Excess of revenues over (under) expenditures | <u>525</u> | <u>(2)</u> | <u>(16,823)</u> | <u>5,871</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | - | - | - | - |
| Transfers (out) | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances. | 525 | (2) | (16,823) | 5,871 |
| Fund balances, July 1. | 891 | (76) | 18,375 | 28,179 |
| Increase in reserve for inventory. | - | - | - | - |
| Fund balances (deficits), June 30 | <u>\$ 1,416</u> | <u>\$ (78)</u> | <u>\$ 1,552</u> | <u>\$ 34,050</u> |

| <u>Title VI - B</u> | <u>Title III</u> | <u>Title I</u> | <u>Title VI</u> | <u>Drug Free School Grant</u> | <u>Title VI-R</u> | <u>Miscellaneous Federal Grants</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|---------------------|------------------|-----------------|-----------------|---------------------------------------|-------------------|---|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 329,344 |
| - | - | - | - | - | - | - | 99,571 |
| - | - | - | - | - | - | - | 2,259,423 |
| - | - | - | - | - | - | - | 21,668 |
| - | - | - | - | - | - | - | 423,830 |
| - | - | - | - | - | - | - | 870,861 |
| - | - | - | - | - | - | - | 387,840 |
| - | - | - | - | - | - | - | 188,712 |
| <u>1,096,585</u> | <u>25,520</u> | <u>238,574</u> | <u>25,514</u> | <u>37,282</u> | <u>124,995</u> | <u>16,091</u> | <u>2,389,178</u> |
| <u>1,096,585</u> | <u>25,520</u> | <u>238,574</u> | <u>25,514</u> | <u>37,282</u> | <u>124,995</u> | <u>16,091</u> | <u>6,970,427</u> |
| 2,878 | 24,010 | 235,416 | 25,472 | 11,177 | 64,351 | 6,803 | 1,003,626 |
| 461,804 | - | - | - | - | 40,061 | 5,039 | 507,426 |
| 477,116 | - | - | - | 18 | - | - | 477,134 |
| 190,502 | 245 | 12,449 | - | - | 46,642 | 13,620 | 421,457 |
| - | - | - | - | - | - | - | 1,748 |
| 95,730 | - | - | - | - | - | - | 120,460 |
| - | - | - | - | - | - | - | 16,351 |
| - | - | - | - | 6,835 | - | - | 26,052 |
| 172,100 | - | - | - | 8,375 | - | - | 180,475 |
| - | - | - | - | - | - | - | 9,163 |
| - | - | - | - | - | - | - | 2,973,652 |
| - | 1,290 | 7,001 | - | - | - | - | 86,613 |
| - | - | - | - | - | - | - | 973,209 |
| <u>111,785</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>182,658</u> |
| <u>1,511,915</u> | <u>25,545</u> | <u>254,866</u> | <u>25,472</u> | <u>26,405</u> | <u>151,054</u> | <u>25,462</u> | <u>6,980,024</u> |
| <u>(415,330)</u> | <u>(25)</u> | <u>(16,292)</u> | <u>42</u> | <u>10,877</u> | <u>(26,059)</u> | <u>(9,371)</u> | <u>(9,597)</u> |
| - | - | 2,800 | - | - | 8,086 | - | 285,886 |
| - | - | - | - | (10,886) | - | - | (10,886) |
| - | - | 2,800 | - | (10,886) | 8,086 | - | 275,000 |
| (415,330) | (25) | (13,492) | 42 | (9) | (17,973) | (9,371) | 265,403 |
| 515,435 | (39) | 14,522 | (161) | 9 | 31,934 | 2,371 | 3,759,369 |
| - | - | - | - | - | - | - | 12,867 |
| <u>\$ 100,105</u> | <u>\$ (64)</u> | <u>\$ 1,030</u> | <u>\$ (119)</u> | <u>\$ -</u> | <u>\$ 13,961</u> | <u>\$ (7,000)</u> | <u>\$ 4,037,639</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Food Services | | | | |
| Total Revenues and Other Sources | \$ 2,272,100 | \$ 2,672,100 | \$ 2,744,141 | \$ 72,041 |
| Total Expenditures and Other Uses | <u>2,023,021</u> | <u>2,780,001</u> | <u>2,767,991</u> | <u>12,010</u> |
| Net Change in Fund Balances | 249,079 | (107,901) | (23,850) | 84,051 |
| Fund Balance, July 1 | 596,669 | 596,669 | 596,669 | - |
| Prior Year Encumbrances Appropriated | <u>164,306</u> | <u>164,306</u> | <u>164,306</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 1,010,054</u> | <u>\$ 653,074</u> | <u>\$ 737,125</u> | <u>\$ 84,051</u> |
| School Trusts | | | | |
| Total Revenues and Other Sources | \$ 3,775 | \$ 3,775 | \$ 7,325 | \$ 3,550 |
| Total Expenditures and Other Uses | <u>6,650</u> | <u>12,714</u> | <u>12,714</u> | <u>-</u> |
| Net Change in Fund Balances | (2,875) | (8,939) | (5,389) | 3,550 |
| Fund Balance, July 1 | 19,256 | 19,256 | 19,256 | - |
| Prior Year Encumbrances Appropriated | <u>2,016</u> | <u>2,016</u> | <u>2,016</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 18,397</u> | <u>\$ 12,333</u> | <u>\$ 15,883</u> | <u>\$ 3,550</u> |
| Uniform School Supplies | | | | |
| Total Revenues and Other Sources | \$ 393,327 | \$ 393,327 | \$ 423,822 | \$ 30,495 |
| Total Expenditures and Other Uses | <u>384,377</u> | <u>486,318</u> | <u>473,535</u> | <u>12,783</u> |
| Net Change in Fund Balances | 8,950 | (92,991) | (49,713) | 43,278 |
| Fund Balance, July 1 | 124,159 | 124,159 | 124,159 | - |
| Prior Year Encumbrances Appropriated | <u>31,401</u> | <u>31,401</u> | <u>31,401</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 164,510</u> | <u>\$ 62,569</u> | <u>\$ 105,847</u> | <u>\$ 43,278</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Public School Support | | | | |
| Total Revenues and Other Sources | \$ 108,502 | \$ 108,502 | \$ 182,714 | \$ 74,212 |
| Total Expenditures and Other Uses | <u>104,374</u> | <u>183,594</u> | <u>181,554</u> | <u>2,040</u> |
| Net Change in Fund Balances | 4,128 | (75,092) | 1,160 | 76,252 |
| Fund Balance, July 1 | 178,173 | 178,173 | 178,173 | - |
| Prior Year Encumbrances Appropriated | <u>15,929</u> | <u>15,929</u> | <u>15,929</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 198,230</u> | <u>\$ 119,010</u> | <u>\$ 195,262</u> | <u>\$ 76,252</u> |
| Other Local Grants | | | | |
| Total Revenues and Other Sources | \$ 403,259 | \$ 403,259 | \$ 601,086 | \$ 197,827 |
| Total Expenditures and Other Uses | <u>24,994</u> | <u>580,694</u> | <u>580,212</u> | <u>482</u> |
| Net Change in Fund Balances | 378,265 | (177,435) | 20,874 | 198,309 |
| Fund Balance, July 1 | 410,934 | 410,934 | 410,934 | - |
| Prior Year Encumbrances Appropriated | <u>4,514</u> | <u>4,514</u> | <u>4,514</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 793,713</u> | <u>\$ 238,013</u> | <u>\$ 436,322</u> | <u>\$ 198,309</u> |
| Facility Maintenance | | | | |
| Total Revenues and Other Sources | \$ 365,000 | \$ 365,000 | \$ 385,396 | \$ 20,396 |
| Total Expenditures and Other Uses | <u>129,014</u> | <u>129,660</u> | <u>127,539</u> | <u>2,121</u> |
| Net Change in Fund Balances | 235,986 | 235,340 | 257,857 | 22,517 |
| Fund Balance, July 1 | 1,197,446 | 1,197,446 | 1,197,446 | - |
| Prior Year Encumbrances Appropriated | <u>88,014</u> | <u>88,014</u> | <u>88,014</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 1,521,446</u> | <u>\$ 1,520,800</u> | <u>\$ 1,543,317</u> | <u>\$ 22,517</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Termination Benefits | | | | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ 275,000 | \$ 275,000 |
| Net Change in Fund Balances | - | - | 275,000 | 275,000 |
| Fund Balance, July 1 | 200,000 | 200,000 | 200,000 | - |
| Fund Balance, June 30 | <u>\$ 200,000</u> | <u>\$ 200,000</u> | <u>\$ 475,000</u> | <u>\$ 275,000</u> |
| Student Activity | | | | |
| Total Revenues and Other Sources | \$ 250,639 | \$ 372,639 | \$ 567,145 | \$ 194,506 |
| Total Expenditures and Other Uses | <u>511,293</u> | <u>609,787</u> | <u>558,325</u> | <u>51,462</u> |
| Net Change in Fund Balances | (260,654) | (237,148) | 8,820 | 245,968 |
| Fund Balance, July 1 | 248,347 | 248,347 | 248,347 | - |
| Prior Year Encumbrances Appropriated | <u>56,354</u> | <u>56,354</u> | <u>56,354</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 44,047</u> | <u>\$ 67,553</u> | <u>\$ 313,521</u> | <u>\$ 245,968</u> |
| Staff Training | | | | |
| Total Revenues and Other Sources | \$ - | \$ 2,500 | \$ 2,500 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>2,500</u> | <u>2,500</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| EMIS | | | | |
| Total Revenues and Other Sources | \$ - | \$ 23,900 | \$ 32,647 | \$ 8,747 |
| Total Expenditures and Other Uses | <u>9,205</u> | <u>43,944</u> | <u>43,944</u> | <u>-</u> |
| Net Change in Fund Balances | (9,205) | (20,044) | (11,297) | 8,747 |
| Fund Balance, July 1 | 49,281 | 49,281 | 49,281 | - |
| Prior Year Encumbrances Appropriated | <u>194</u> | <u>194</u> | <u>194</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 40,270</u> | <u>\$ 29,431</u> | <u>\$ 38,178</u> | <u>\$ 8,747</u> |
| Entry Year Programs | | | | |
| Total Revenues and Other Sources | \$ 40,700 | \$ 69,500 | \$ 28,000 | \$ (41,500) |
| Total Expenditures and Other Uses | <u>9,525</u> | <u>37,543</u> | <u>37,524</u> | <u>19</u> |
| Net Change in Fund Balances | 31,175 | 31,957 | (9,524) | (41,481) |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>9,525</u> | <u>9,525</u> | <u>9,525</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 40,700</u> | <u>\$ 41,482</u> | <u>\$ 1</u> | <u>\$ (41,481)</u> |
| Data Communication | | | | |
| Total Revenues and Other Sources | \$ - | \$ 33,000 | \$ 33,000 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>33,000</u> | <u>33,000</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balance, July 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|---------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| SchoolNet Professional Development | | | | |
| Total Revenues and Other Sources | \$ - | \$ 3,925 | \$ 3,925 | \$ - |
| Total Expenditures and Other Uses | <u>1,051</u> | <u>4,452</u> | <u>3,551</u> | <u>901</u> |
| Net Change in Fund Balances | (1,051) | (527) | 374 | 901 |
| Fund Balance, July 1 | 901 | 901 | 901 | - |
| Prior Year Encumbrances Appropriated | <u>150</u> | <u>150</u> | <u>150</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ 524</u> | <u>\$ 1,425</u> | <u>\$ 901</u> |
| Ohio Reads | | | | |
| Total Revenues and Other Sources | \$ - | \$ 10,000 | \$ 10,000 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>10,000</u> | <u>10,000</u> | <u>-</u> |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Summer School Subsidy | | | | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ 709 | \$ 709 |
| Total Expenditures and Other Uses | <u>31,494</u> | <u>31,494</u> | <u>31,494</u> | <u>-</u> |
| Net Change in Fund Balances | (31,494) | (31,494) | (30,785) | 709 |
| Fund Balance, July 1 | 1,552 | 1,552 | 1,552 | - |
| Prior Year Encumbrances Appropriated | <u>30,785</u> | <u>30,785</u> | <u>30,785</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 843</u> | <u>\$ 843</u> | <u>\$ 1,552</u> | <u>\$ 709</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|-------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Miscellaneous State Grants | | | | |
| Total Revenues and Other Sources | \$ - | \$ 25,000 | \$ 25,000 | \$ - |
| Total Expenditures and Other Uses | <u>2,601</u> | <u>22,243</u> | <u>22,243</u> | <u>-</u> |
| Net Change in Fund Balances | (2,601) | 2,757 | 2,757 | - |
| Fund Balance, July 1 | 27,685 | 27,685 | 27,685 | - |
| Prior Year Encumbrances Appropriated | <u>2,601</u> | <u>2,601</u> | <u>2,601</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 27,685</u> | <u>\$ 33,043</u> | <u>\$ 33,043</u> | <u>\$ -</u> |
| Title VI-B | | | | |
| Total Revenues and Other Sources | \$ 1,942,328 | \$ 1,991,048 | \$ 1,720,314 | \$ (270,734) |
| Total Expenditures and Other Uses | <u>2,071,755</u> | <u>1,760,261</u> | <u>1,759,960</u> | <u>301</u> |
| Net Change in Fund Balances | (129,427) | 230,787 | (39,646) | (270,433) |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>129,454</u> | <u>129,454</u> | <u>129,454</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 27</u> | <u>\$ 360,241</u> | <u>\$ 89,808</u> | <u>\$ (270,433)</u> |
| Title III | | | | |
| Total Revenues and Other Sources | \$ 36,510 | \$ 36,510 | \$ 35,162 | \$ (1,348) |
| Total Expenditures and Other Uses | <u>36,452</u> | <u>35,242</u> | <u>35,242</u> | <u>-</u> |
| Net Change in Fund Balances | 58 | 1,268 | (80) | (1,348) |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>80</u> | <u>80</u> | <u>80</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 138</u> | <u>\$ 1,348</u> | <u>\$ -</u> | <u>\$ (1,348)</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, 2006

| | Budgeted Amounts | | Actual | Variance with Final Budget- Over (Under) |
|--------------------------------------|------------------|------------------|-----------------|---|
| | Original | Final | | |
| Title I | | | | |
| Total Revenues and Other Sources | \$ 245,010 | \$ 252,910 | \$ 241,374 | \$ (11,536) |
| Total Expenditures and Other Uses | 252,166 | 255,333 | 255,173 | 160 |
| Net Change in Fund Balances | (7,156) | (2,423) | (13,799) | (11,376) |
| Fund Balance, July 1 | 14,979 | 14,979 | 14,979 | - |
| Prior Year Encumbrances Appropriated | 878 | 878 | 878 | - |
| Fund Balance, June 30 | <u>\$ 8,701</u> | <u>\$ 13,434</u> | <u>\$ 2,058</u> | <u>\$ (11,376)</u> |
| Title VI | | | | |
| Total Revenues and Other Sources | \$ 26,396 | \$ 26,396 | \$ 25,514 | \$ (882) |
| Total Expenditures and Other Uses | 25,514 | 25,514 | 25,514 | - |
| Net Change in Fund Balances | 882 | 882 | - | (882) |
| Fund Balance, July 1 | - | - | - | - |
| Fund Balance, June 30 | <u>\$ 882</u> | <u>\$ 882</u> | <u>\$ -</u> | <u>\$ (882)</u> |
| Drug Free School Grant | | | | |
| Total Revenues and Other Sources | \$ 25,514 | \$ 37,314 | \$ 37,282 | \$ (32) |
| Total Expenditures and Other Uses | 26,522 | 38,594 | 38,594 | - |
| Net Change in Fund Balances | (1,008) | (1,280) | (1,312) | (32) |
| Fund Balance, July 1 | 5 | 5 | 5 | - |
| Prior Year Encumbrances Appropriated | 1,307 | 1,307 | 1,307 | - |
| Fund Balance, June 30 | <u>\$ 304</u> | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ (32)</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Title VI - R | | | | |
| Total Revenues and Other Sources | \$ 184,340 | \$ 191,890 | \$ 199,306 | \$ 7,416 |
| Total Expenditures and Other Uses | <u>198,230</u> | <u>179,963</u> | <u>204,494</u> | <u>(24,531)</u> |
| Net Change in Fund Balances | (13,890) | 11,927 | (5,188) | (17,115) |
| Fund Balance, July 1 | - | - | - | - |
| Prior Year Encumbrances Appropriated | <u>14,061</u> | <u>14,061</u> | <u>14,061</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 171</u> | <u>\$ 25,988</u> | <u>\$ 8,873</u> | <u>\$ (17,115)</u> |
| Miscellaneous Federal Grants | | | | |
| Total Revenues and Other Sources | \$ 4,232 | \$ 19,482 | \$ 16,091 | \$ (3,391) |
| Total Expenditures and Other Uses | <u>7,874</u> | <u>22,982</u> | <u>19,733</u> | <u>3,249</u> |
| Net Change in Fund Balances | (3,642) | (3,500) | (3,642) | (142) |
| Fund Balance, July 1 | 1 | 1 | 1 | - |
| Prior Year Encumbrances Appropriated | <u>3,641</u> | <u>3,641</u> | <u>3,641</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ 142</u> | <u>\$ -</u> | <u>\$ (142)</u> |

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

Nonmajor Debt Service Fund

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

Since there is only one nonmajor debt service fund, no additional financial statements are presented here.

Library Debt Service Fund

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

**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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|---------------------------------------|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Bond Retirement - Library Debt | | | | |
| Total Revenues and Other Sources | \$ 190,775 | \$ 190,775 | \$ 169,750 | \$ (21,025) |
| Total Expenditures and Other Uses | <u>220,288</u> | <u>220,288</u> | <u>219,466</u> | <u>822</u> |
| Net Change in Fund Balances | (29,513) | (29,513) | (49,716) | (20,203) |
| Fund Balance, July 1 | <u>552,568</u> | <u>552,568</u> | <u>552,568</u> | <u>-</u> |
| Fund Balance, June 30 | <u><u>\$ 523,055</u></u> | <u><u>\$ 523,055</u></u> | <u><u>\$ 502,852</u></u> | <u><u>\$ (20,203)</u></u> |

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

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund

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

Building Fund

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

SchoolNet Fund

To account for monies received that are used to help the school district obtain computers and related educational technology equipment and or the necessary infrastructure for educational technology.

**PICKERINGTON LOCALSCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>SchoolNet</u> | <u>Nonmajor Capital Projects Funds</u> |
|---|----------------------------------|-------------------|------------------|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 985,155 | \$ 431,741 | \$ 238 | \$ 1,417,134 |
| Cash with fiscal agent | <u>-</u> | <u>163,781</u> | <u>-</u> | <u>163,781</u> |
| Total assets. | <u>\$ 985,155</u> | <u>\$ 595,522</u> | <u>\$ 238</u> | <u>\$ 1,580,915</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 91,684 | \$ 781 | \$ - | \$ 92,465 |
| Retainage payable | <u>-</u> | <u>163,781</u> | <u>-</u> | <u>163,781</u> |
| Total liabilities. | <u>91,684</u> | <u>164,562</u> | <u>-</u> | <u>256,246</u> |
| Fund balances: | | | | |
| Reserved for encumbrances | 463,057 | 412,832 | - | 875,889 |
| Unreserved-undesignated | <u>430,414</u> | <u>18,128</u> | <u>238</u> | <u>448,780</u> |
| Total fund balances | <u>893,471</u> | <u>430,960</u> | <u>238</u> | <u>1,324,669</u> |
| Total liabilities and fund balances. | <u>\$ 985,155</u> | <u>\$ 595,522</u> | <u>\$ 238</u> | <u>\$ 1,580,915</u> |

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>SchoolNet</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|----------------------------------|-----------------|------------------|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 120 | \$ 59,987 | \$ - | \$ 60,107 |
| Other local revenues | 124,140 | - | - | 124,140 |
| Intergovernmental - State | - | - | 91,776 | 91,776 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total revenues | 124,260 | 59,987 | 91,776 | 276,023 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 4,224 | - | 91,538 | 95,762 |
| Operations and maintenance | 17,219 | - | - | 17,219 |
| Facilities acquisition and construction | 1,371,233 | 172,908 | - | 1,544,141 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total expenditures | 1,392,676 | 172,908 | 91,538 | 1,657,122 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Excess of revenues over (under) expenditures | (1,268,416) | (112,921) | 238 | (1,381,099) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Other financing sources: | | | | |
| Transfers in | 380,000 | - | - | 380,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total other financing sources | 380,000 | - | - | 380,000 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net change in fund balances | (888,416) | (112,921) | 238 | (1,001,099) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balances, July 1 | 1,781,887 | 543,881 | - | 2,325,768 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund balances, June 30 | \$ 893,471 | \$ 430,960 | \$ 238 | \$ 1,324,669 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

**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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Permanent Improvement | | | | |
| Total Revenues and Other Sources | \$ - | \$ 150,000 | \$ 504,260 | \$ 354,260 |
| Total Expenditures and Other Uses | <u>1,571,720</u> | <u>1,859,385</u> | <u>1,858,127</u> | <u>1,258</u> |
| Net Change in Fund Balances | (1,571,720) | (1,709,385) | (1,353,867) | 355,518 |
| Fund Balance, July 1 | 792,561 | 792,561 | 792,561 | - |
| Prior Year Encumbrances Appropriated | <u>991,720</u> | <u>991,720</u> | <u>991,720</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 212,561</u> | <u>\$ 74,896</u> | <u>\$ 430,414</u> | <u>\$ 355,518</u> |
| Building | | | | |
| Total Revenues and Other Sources | \$ - | \$ 59,000 | \$ 59,987 | \$ 987 |
| Total Expenditures and Other Uses | <u>467,051</u> | <u>716,176</u> | <u>706,997</u> | <u>9,179</u> |
| Net Change in Fund Balances | (467,051) | (657,176) | (647,010) | 10,166 |
| Fund Balance, July 1 | 448,087 | 448,087 | 448,087 | - |
| Prior Year Encumbrances Appropriated | <u>217,051</u> | <u>217,051</u> | <u>217,051</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ 198,087</u> | <u>\$ 7,962</u> | <u>\$ 18,128</u> | <u>\$ 10,166</u> |
| SchoolNet | | | | |
| Total Revenues and Other Sources | \$ - | \$ 91,776 | \$ 91,776 | \$ - |
| Total Expenditures and Other Uses | <u>-</u> | <u>91,538</u> | <u>91,538</u> | <u>-</u> |
| Net Change in Fund Balances | - | 238 | 238 | - |
| Fund Balance, July 1 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30 | <u>\$ -</u> | <u>\$ 238</u> | <u>\$ 238</u> | <u>\$ -</u> |

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

Fiduciary Funds

The trust fund is used to account for assets held by the district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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

Private-Purpose Trust Fund

Special Trust Fund

The district has one special trust fund, a private-purpose trust fund, which is comprised of assets held in trust that were created by donations for the establishment of memorial funds.

Agency Funds

District Agency Fund

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

Student Activity Fund

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

**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2006

| | Beginning Balance July 1, 2005 | Additions | Deletions | Ending Balance June 30, 2006 |
|--|---|-------------------|-------------------|---|
| District Agency | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 927 | \$ 1,273 | \$ 131 | \$ 2,069 |
| Total assets | <u>\$ 927</u> | <u>\$ 1,273</u> | <u>\$ 131</u> | <u>\$ 2,069</u> |
| Liabilities: | | | | |
| Deposits held and due to others | \$ 927 | \$ 2,069 | \$ 927 | \$ 2,069 |
| Total liabilities. | <u>\$ 927</u> | <u>\$ 2,069</u> | <u>\$ 927</u> | <u>\$ 2,069</u> |
| Student Activity | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 128,586 | \$ 298,907 | \$ 302,190 | \$ 125,303 |
| Total assets | <u>\$ 128,586</u> | <u>\$ 298,907</u> | <u>\$ 302,190</u> | <u>\$ 125,303</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 7,659 | \$ 2,787 | \$ 7,659 | \$ 2,787 |
| Due to students | 120,927 | 122,516 | 120,927 | 122,516 |
| Total liabilities. | <u>\$ 128,586</u> | <u>\$ 125,303</u> | <u>\$ 128,586</u> | <u>\$ 125,303</u> |
| Total Agency Funds | | | | |
| Assets: | | | | |
| Equity in pooled cash and cash equivalents | \$ 129,513 | \$ 300,180 | \$ 302,321 | \$ 127,372 |
| Total assets | <u>\$ 129,513</u> | <u>\$ 300,180</u> | <u>\$ 302,321</u> | <u>\$ 127,372</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 7,659 | \$ 2,787 | \$ 7,659 | \$ 2,787 |
| Deposits held and due to others | 927 | 2,069 | 927 | 2,069 |
| Due to students | 120,927 | 122,516 | 120,927 | 122,516 |
| Total liabilities. | <u>\$ 129,513</u> | <u>\$ 127,372</u> | <u>\$ 129,513</u> | <u>\$ 127,372</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, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|--------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Special Trust | | | | |
| Total Expenditures and Other Uses | \$ 866 | \$ 2,000 | \$ 2,000 | \$ - |
| Net Change in Fund Balances | (866) | (2,000) | (2,000) | - |
| Fund Balance, July 1 | 6,950 | 6,950 | 6,950 | - |
| Fund Balance, June 30 | <u>\$ 6,084</u> | <u>\$ 4,950</u> | <u>\$ 4,950</u> | <u>\$ -</u> |
| District Agency | | | | |
| Total Revenues and Other Sources | \$ - | \$ - | \$ 1,273 | \$ 1,273 |
| Total Expenditures and Other Uses | - | 131 | 131 | - |
| Net Change in Fund Balances | - | (131) | 1,142 | 1,273 |
| Fund Balance, July 1 | 927 | 927 | 927 | - |
| Fund Balance, June 30 | <u>\$ 927</u> | <u>\$ 796</u> | <u>\$ 2,069</u> | <u>\$ 1,273</u> |
| Student Activity | | | | |
| Total Revenues and Other Sources | \$ 209,141 | \$ 209,141 | \$ 301,203 | \$ 92,062 |
| Total Expenditures and Other Uses | 193,290 | 306,321 | 305,823 | 498 |
| Net Change in Fund Balances | 15,851 | (97,180) | (4,620) | 92,560 |
| Fund Balance, July 1 | 123,916 | 123,916 | 123,916 | - |
| Prior Year Encumbrances Appropriated | 4,670 | 4,670 | 4,670 | - |
| Fund Balance, June 30 | <u>\$ 144,437</u> | <u>\$ 31,406</u> | <u>\$ 123,966</u> | <u>\$ 92,560</u> |

STATISTICAL SECTION

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

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time. | S 2-8 |
| Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | S 9-14 |
| 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 15-18 |
| 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 19-20 |
| 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 21-27 |

Sources: This is the District's first comprehensive annual financial report. Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

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

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 5,680,217 | \$ 6,170,204 | \$ 9,556,777 | \$ 25,058,656 |
| Restricted | 16,510,606 | 15,221,567 | 14,428,173 | 18,535,804 |
| Unrestricted | <u>(3,513,717)</u> | <u>(2,973,644)</u> | <u>(6,315,089)</u> | <u>(29,321,045)</u> |
| Total governmental activities net assets | <u>\$ 18,677,106</u> | <u>\$ 18,418,127</u> | <u>\$ 17,669,861</u> | <u>\$ 14,273,415</u> |

Source: School District financial records.

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

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

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 42,690,019 | \$ 40,326,102 | \$ 36,117,943 | \$ 31,464,300 |
| Special | 5,977,721 | 5,423,614 | 4,865,195 | 4,514,787 |
| Vocational | 1,034,985 | 890,084 | 761,653 | 932,546 |
| Adult/Continuing | - | 10,895 | - | - |
| Other instructional | 1,796,253 | 1,581,660 | 1,122,608 | 751,589 |
| Support services: | | | | |
| Pupil | 4,036,154 | 3,942,233 | 3,456,789 | 3,050,125 |
| Instructional staff | 4,983,317 | 4,413,385 | 3,645,626 | 3,136,588 |
| Board of education | 501,735 | 404,032 | 478,447 | 323,952 |
| Administration | 7,037,059 | 6,322,386 | 6,006,765 | 5,500,019 |
| Fiscal | 1,499,551 | 1,386,034 | 1,304,606 | 1,217,117 |
| Business | 175,317 | 192,496 | 167,919 | 167,914 |
| Operations and maintenance | 9,428,349 | 9,238,371 | 6,589,807 | 5,422,028 |
| Pupil transportation | 4,501,482 | 3,998,024 | 3,832,851 | 3,973,490 |
| Central | 74,200 | 87,250 | 81,744 | 135,761 |
| Operation of non-instructional services: | | | | |
| Food service operations | 3,420,780 | 3,068,309 | 2,835,474 | 2,156,397 |
| Other non-instructional services | 86,613 | 84,897 | 9,937 | 49,058 |
| Extracurricular activities | 2,577,848 | 2,557,801 | 2,137,629 | 1,780,961 |
| Interest and fiscal charges | 5,477,377 | 6,422,079 | 6,504,277 | 6,546,476 |
| Total governmental activities expenses | <u>95,298,760</u> | <u>90,349,652</u> | <u>79,919,270</u> | <u>71,123,108</u> |

- (Continued)

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

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

| Program Revenues | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Instruction: | | | | |
| Regular | \$ 805,693 | \$ 784,692 | \$ 763,229 | \$ 580,891 |
| Support services: | | | | |
| Instructional staff | 53,191 | 93,499 | 80,821 | 138,370 |
| Board of education | 770 | 1,393 | 1,393 | - |
| Administration | 2,040 | - | 266 | - |
| Operations and maintenance | 94,134 | 78,501 | 205,042 | 13,715 |
| Pupil transportation | - | - | - | 10,973 |
| Operation of non-instructional services: | | | | |
| Food service operations | 2,259,423 | 2,173,639 | 1,744,919 | 1,509,232 |
| Other non-instructional services | 45,858 | 30,390 | 5,094 | 39,257 |
| Extracurricular activities | 757,652 | 770,200 | 604,272 | 331,112 |
| Operating grants and contributions: | | | | |
| Instruction: | | | | |
| Regular | 422,001 | 515,057 | 713,667 | 364,483 |
| Special | 486,464 | 532,541 | 301,038 | 239,957 |
| Vocational | - | 878 | - | - |
| Other instructional | - | - | - | 23,507 |
| Support services: | | | | |
| Pupil | 460,779 | 621,677 | 386,820 | 245,934 |
| Instructional staff | 363,616 | 280,000 | 257,010 | 101,573 |
| Board of education | 498 | - | 1,708 | - |
| Administration | 110,252 | 78,249 | 65,310 | 21,395 |
| Fiscal | 7,997 | - | - | - |
| Operations and maintenance | 108,387 | 39,279 | - | - |
| Pupil transportation | 175,849 | 3,437 | - | - |
| Central | 18,670 | 25,511 | 33,550 | 66,873 |
| Operation of non-instructional services: | | | | |
| Food service operations | 836,266 | 672,054 | 579,381 | 473,446 |
| Other non-instructional services | 46,135 | 42,546 | 300 | - |
| Extracurricular activities | 264,253 | 113,753 | 367,534 | 61,684 |
| Capital grants and contributions: | | | | |
| Support services: | | | | |
| Instructional staff | 91,776 | 69,720 | - | - |
| Extracurricular activities | - | - | - | 38,810 |
| Interest and fiscal charges | - | - | - | 4,702 |
| Total governmental program revenues | <u>7,411,704</u> | <u>6,927,016</u> | <u>6,111,354</u> | <u>4,265,914</u> |
| Net (Expense)/Revenue | | | | |
| Governmental activities | <u>\$ (87,887,056)</u> | <u>\$ (83,422,636)</u> | <u>\$ (73,807,916)</u> | <u>\$ (66,857,194)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Governmental activities: | | | | |
| Property taxes levied for: | | | | |
| General purposes | \$ 23,527,946 | \$ 24,291,458 | \$ 21,207,490 | \$ 14,843,852 |
| Special revenue | 330,505 | 342,193 | 346,312 | 274,717 |
| Debt service | 8,315,839 | 8,815,701 | 8,274,592 | 7,158,273 |
| Capital projects | - | 4 | 61 | 152 |
| School district income tax | 10,830,531 | 10,232,657 | 9,406,873 | 8,989,604 |
| Grants and entitlements not restricted to specific programs | 43,661,527 | 40,865,256 | 37,671,696 | 32,714,517 |
| Investment earnings | 1,370,041 | 786,837 | 290,056 | 767,772 |
| Miscellaneous | 109,646 | 4,493 | 7,282 | 68,141 |
| Total governmental activities | <u>88,146,035</u> | <u>85,338,599</u> | <u>77,204,362</u> | <u>64,817,028</u> |
| Change in Net Assets | | | | |
| Governmental activities | <u>\$ 258,979</u> | <u>\$ 1,915,963</u> | <u>\$ 3,396,446</u> | <u>\$ (2,040,166)</u> |

Source: School District financial records.

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

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

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund: | | | | |
| Reserved | \$ 6,619,476 | \$ 5,319,738 | \$ 4,037,297 | \$ 3,905,777 |
| Unreserved | <u>2,390,422</u> | <u>3,125,916</u> | <u>1,851,878</u> | <u>420,002</u> |
| Total general fund | <u>\$ 9,009,898</u> | <u>\$ 8,445,654</u> | <u>\$ 5,889,175</u> | <u>\$ 4,325,779</u> |
| All Other Governmental Funds: | | | | |
| Reserved | \$ 12,800,490 | \$ 11,665,682 | \$ 9,908,916 | \$ 15,150,607 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 3,790,669 | 3,209,491 | 2,648,206 | 3,091,503 |
| Capital projects funds | <u>448,780</u> | <u>1,238,254</u> | <u>2,700,849</u> | <u>1,134,334</u> |
| Total all other governmental funds | <u>\$ 17,039,939</u> | <u>\$ 16,113,427</u> | <u>\$ 15,257,971</u> | <u>\$ 19,376,444</u> |

Source: School District financial records.

| <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| \$ 1,689,532 | \$ 1,138,261 | \$ 1,911,238 | \$ 2,153,899 | \$ 1,382,457 | \$ 258,078 |
| 1,585,761 | 1,224,336 | 1,026,200 | 2,133,441 | 3,146,104 | 4,508,512 |
| <u>\$ 3,275,293</u> | <u>\$ 2,362,597</u> | <u>\$ 2,937,438</u> | <u>\$ 4,287,340</u> | <u>\$ 4,528,561</u> | <u>\$ 4,766,590</u> |
| \$ 46,697,117 | \$ 13,130,158 | \$ 7,735,314 | \$ 18,870,811 | \$ 7,074,710 | \$ 3,963,413 |
| 866,622 | 634,973 | 520,661 | 357,740 | 377,718 | 175,477 |
| 7,783,869 | (6,146,576) | 7,710,322 | 9,534,707 | (2,411,772) | 1,087,142 |
| <u>\$ 55,347,608</u> | <u>\$ 7,618,555</u> | <u>\$ 15,966,297</u> | <u>\$ 28,763,258</u> | <u>\$ 5,040,656</u> | <u>\$ 5,226,032</u> |

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

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

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|---|---------------------|---------------------|-----------------------|------------------------|----------------------|
| Revenues | | | | | |
| From local sources: | | | | | |
| Taxes | \$ 42,936,633 | \$ 43,242,749 | \$ 39,230,441 | \$ 31,482,948 | \$ 31,474,590 |
| Tuition | 385,844 | 286,220 | 280,210 | 281,903 | 275,790 |
| Charges for services | 2,259,423 | 2,173,639 | 1,744,919 | 1,509,232 | - |
| Earnings on investments | 1,277,723 | 714,940 | 263,681 | 851,930 | 2,665,255 |
| Extracurricular | 870,861 | 805,804 | 738,964 | 403,769 | 343,384 |
| Classroom materials and fees | 423,830 | 467,455 | 434,711 | - | - |
| Other local revenues | 576,289 | 408,438 | 753,963 | 661,944 | 458,118 |
| Intergovernmental - State | 43,900,733 | 41,317,653 | 37,972,112 | 32,868,901 | 30,047,759 |
| Intergovernmental - Federal | 2,389,178 | 2,358,521 | 1,875,694 | 1,121,509 | 658,622 |
| Total revenues | <u>95,020,514</u> | <u>91,775,419</u> | <u>83,294,695</u> | <u>69,182,136</u> | <u>65,923,518</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 39,459,304 | 36,981,507 | 33,883,467 | 29,885,280 | 27,825,148 |
| Special | 5,836,223 | 5,225,258 | 4,771,884 | 4,402,242 | 3,896,805 |
| Vocational | 1,036,313 | 868,236 | 742,302 | 911,222 | 685,353 |
| Adult/Continuing | - | 10,895 | - | - | - |
| Other | 1,796,253 | 1,581,660 | 1,122,608 | 751,589 | 462,497 |
| Current: | | | | | |
| Pupil | 3,946,185 | 3,802,951 | 3,315,532 | 3,006,873 | 2,671,523 |
| Instructional staff | 4,687,075 | 4,156,800 | 3,471,141 | 2,987,758 | 2,674,469 |
| Board of education | 496,375 | 398,672 | 478,384 | 323,829 | 302,597 |
| Administration | 6,900,352 | 6,238,029 | 5,942,396 | 5,441,042 | 5,272,419 |
| Fiscal | 1,495,489 | 1,380,806 | 1,301,959 | 1,214,685 | 1,057,341 |
| Business | 173,830 | 190,505 | 164,063 | 165,776 | 158,585 |
| Operations and maintenance | 7,729,018 | 7,369,327 | 6,391,724 | 4,970,984 | 5,550,975 |
| Pupil transportation | 4,596,388 | 4,335,936 | 3,953,340 | 3,966,632 | 3,671,591 |
| Central | 74,200 | 87,250 | 81,416 | 143,673 | 200,914 |
| Operation of non-instructional services: | | | | | |
| Food service operations | 2,973,652 | 2,618,111 | 2,481,291 | 1,796,314 | - |
| Community | - | - | - | - | 36,495 |
| Other non-instructional services | 86,613 | 84,897 | 43,482 | 37,921 | - |
| Extracurricular activities | 2,440,691 | 2,417,915 | 2,094,169 | 1,736,961 | 1,462,045 |
| Facilities acquisitions and construction | 2,237,784 | 2,180,142 | 8,024,168 | 35,269,073 | 30,524,600 |
| Capital outlay | - | - | - | 155,787 | - |
| Debt service: | | | | | |
| Principal retirement | 4,015,000 | 3,286,383 | 2,610,594 | 2,508,810 | 2,563,857 |
| Interest and fiscal charges | 3,561,879 | 4,760,403 | 4,996,240 | 5,268,402 | 5,772,127 |
| Bond issuance cost | 524,754 | - | 207,633 | 50,378 | - |
| Total expenditures | <u>94,067,378</u> | <u>87,975,683</u> | <u>86,077,793</u> | <u>104,995,231</u> | <u>94,789,341</u> |
| Excess of revenues over (under) expenditures | 953,136 | 3,799,736 | (2,783,098) | (35,813,095) | (28,865,823) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 665,886 | 333,000 | 2,627,993 | 3,936,317 | 2,816,302 |
| Transfers (out) | (665,886) | (333,000) | (2,627,993) | (3,936,317) | (2,856,857) |
| Accrued interest on refunding bonds | - | - | 30,368 | 1,998 | 57,525 |
| Premium on refunding bonds | 3,459,639 | - | 635,281 | 87,978 | - |
| Sale of capital assets | - | - | - | 401 | 248 |
| Issuance of refunding bonds | 67,779,907 | - | 13,914,992 | 1,880,000 | 77,500,000 |
| Retirement of refunding bonds | - | - | - | (1,880,000) | - |
| Proceeds from loan | - | - | - | - | - |
| Payment to refunding bond escrow agent | (70,714,793) | - | (14,342,639) | - | - |
| Capital lease transaction | - | - | - | 155,787 | - |
| Issuance of notes | - | - | - | - | - |
| Total other financing sources (uses) | <u>524,753</u> | <u>-</u> | <u>238,002</u> | <u>246,164</u> | <u>77,517,218</u> |
| Net change in fund balances | <u>\$ 1,477,889</u> | <u>\$ 3,799,736</u> | <u>\$ (2,545,096)</u> | <u>\$ (35,566,931)</u> | <u>\$ 48,651,395</u> |
| Debt service as a percentage of noncapital expenditures | 8.05% | 9.15% | 8.84% | 7.42% | 8.79% |

Source: School District financial records.

| | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 28,046,408 | \$ 24,979,140 | \$ 23,846,464 | \$ 21,979,064 | \$ 21,955,759 |
| | 253,075 | 196,135 | 148,272 | 195,012 | 174,352 |
| | - | - | - | - | - |
| | 2,066,816 | 1,909,171 | 1,726,777 | 1,068,398 | 827,983 |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | 780,527 | 702,658 | 700,736 | 861,204 | 555,171 |
| | 24,540,717 | 21,010,158 | 19,323,948 | 16,800,259 | 16,153,319 |
| | 425,510 | 375,104 | 295,891 | 254,159 | 199,435 |
| | <u>56,113,053</u> | <u>49,172,366</u> | <u>46,042,088</u> | <u>41,158,096</u> | <u>39,866,019</u> |

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 24,432,681 | 22,279,104 | 20,213,747 | 18,967,631 | 17,994,371 |
| | 3,321,682 | 2,841,291 | 2,558,900 | 2,277,803 | 2,102,167 |
| | 619,573 | 533,128 | 489,830 | 460,401 | 450,169 |
| | - | - | 26,037 | 17,832 | 6,035 |
| | 424,413 | 369,410 | 297,190 | 90,929 | 77,252 |
| | 2,894,093 | 2,428,379 | 1,953,567 | 2,268,874 | 2,086,222 |
| | 2,669,420 | 1,777,939 | 1,403,905 | 1,154,099 | 1,080,462 |
| | 230,393 | 308,713 | 245,176 | 243,028 | 184,302 |
| | 4,712,817 | 3,887,868 | 3,512,752 | 3,011,255 | 2,868,988 |
| | 1,124,105 | 1,048,227 | 965,829 | 832,865 | 935,549 |
| | 132,791 | 146,049 | 126,768 | 108,261 | 108,234 |
| | 4,692,719 | 4,218,896 | 3,461,985 | 3,113,820 | 2,852,747 |
| | 3,322,690 | 3,304,996 | 2,861,346 | 2,676,573 | 2,418,625 |
| | 165,516 | 115,697 | 94,942 | 115,449 | 97,576 |
| | - | 13,925 | 14,206 | 8,929 | 17,158 |
| | 32,249 | 12,795 | 11,618 | 17,023 | 19,726 |
| | - | - | - | - | - |
| | 1,219,352 | 1,074,351 | 1,011,699 | 913,641 | 858,177 |
| | 9,567,434 | - | - | - | - |
| | - | 13,757,167 | 9,405,083 | 1,541,281 | 1,324,691 |
| | 3,002,216 | 2,920,228 | 2,100,641 | 2,025,749 | 2,054,776 |
| | 2,475,747 | 2,581,333 | 2,629,957 | 1,717,067 | 1,767,305 |
| | - | - | - | - | - |
| | <u>65,039,891</u> | <u>63,619,496</u> | <u>53,385,178</u> | <u>41,562,510</u> | <u>39,304,532</u> |
| | (8,926,838) | (14,447,130) | (7,343,090) | (404,414) | 561,487 |

| | | | | | |
|----|--------------------|---------------------|-------------------|------------------|----------------|
| | 1,686,796 | - | 59,895 | - | - |
| | (1,691,155) | - | (69,776) | - | - |
| | - | - | - | - | - |
| | - | - | 59,895 | - | - |
| | 5,400 | - | - | - | - |
| | - | - | 24,000,000 | - | - |
| | - | - | - | - | - |
| | - | - | 6,780,000 | - | - |
| | - | - | - | - | - |
| | - | 315,240 | - | - | - |
| | - | - | - | - | - |
| | <u>1,041</u> | <u>315,240</u> | <u>30,830,014</u> | <u>-</u> | <u>-</u> |
| \$ | <u>(8,925,797)</u> | <u>(14,131,890)</u> | <u>23,486,924</u> | <u>(404,414)</u> | <u>561,487</u> |

| | | | | |
|-------|--------|--------|-------|--------|
| 8.42% | 11.03% | 10.76% | 9.35% | 10.06% |
|-------|--------|--------|-------|--------|

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

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

| Collection Year | Real Property (a) | | Tangible Personal Property (b) | | Public Utility (c) | |
|--------------------|-------------------|------------------------------|-----------------------------------|------------------------------|--------------------|------------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2005 | \$ 974,433,660 | \$ 2,784,096,171 | \$ 10,671,040 | \$ 42,684,160 | \$ 15,671,040 | \$ 44,774,400 |
| 2004 | 925,853,450 | 2,645,295,571 | 15,297,650 | 61,190,600 | 14,857,540 | 42,450,114 |
| 2003 | 802,438,990 | 2,292,682,829 | 14,528,287 | 58,113,148 | 13,829,790 | 39,513,686 |
| 2002 | 721,684,940 | 2,061,956,971 | 15,677,480 | 62,709,920 | 12,390,680 | 35,401,943 |
| 2001 | 600,692,010 | 1,716,262,886 | 14,257,107 | 57,028,428 | 15,641,510 | 44,690,029 |
| 2000 | 574,339,500 | 1,640,970,000 | 12,405,084 | 49,620,336 | 16,042,660 | 45,836,171 |
| 1999 | 537,563,450 | 1,535,895,571 | 11,137,564 | 44,550,256 | 16,646,850 | 47,562,429 |
| 1998 | 484,772,540 | 1,385,064,400 | 10,924,107 | 43,696,428 | 16,405,030 | 46,871,514 |
| 1997 | 461,287,890 | 1,317,965,400 | 9,414,750 | 37,659,000 | 15,703,320 | 44,866,629 |
| 1996 | 438,004,180 | 1,251,440,514 | 8,627,941 | 34,511,764 | 15,412,560 | 44,035,886 |

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.
- (c) Assumes public utilities are assessed at true value which is 35%.

Total

| Assessed Value | Estimated Actual Value | % |
|---------------------------|---------------------------------------|----------|
| \$ 1,000,775,740 | \$ 2,871,554,731 | 34.85% |
| 956,008,640 | 2,748,936,286 | 34.78% |
| 830,797,067 | 2,390,309,662 | 34.76% |
| 749,753,100 | 2,160,068,834 | 34.71% |
| 630,590,627 | 1,817,981,342 | 34.69% |
| 602,787,244 | 1,736,426,507 | 34.71% |
| 565,347,864 | 1,628,008,256 | 34.73% |
| 512,101,677 | 1,475,632,342 | 34.70% |
| 486,405,960 | 1,400,491,029 | 34.73% |
| 462,044,681 | 1,329,988,164 | 34.74% |

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

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

| Tax Year/ Collection Year | Franklin County | Fairfield County | City of Pickerington | City of Reynoldsburg | City of Columbus | Pickerington Local School District | | | | | |
|---------------------------------|--------------------|---------------------|-------------------------|-------------------------|---------------------|------------------------------------|---------|-------------------------|--------------------------|---------|----------|
| | | | | | | Voted | | | | | |
| | | | | | | General | Bond | Classroom Facilities | Permanent Improvement | Unvoted | Total |
| 2005/2006 | \$ 18.44 | \$ 7.55 | \$ 7.80 | \$ 0.70 | \$ 3.14 | \$ 62.20 | \$ 9.70 | \$ 0.50 | \$ - | \$ 4.50 | \$ 76.90 |
| 2004/2005 | 18.44 | 7.55 | 7.80 | 0.70 | 3.14 | 62.20 | 10.10 | 0.50 | - | 4.50 | 77.30 |
| 2003/2004 | 18.44 | 7.55 | 7.80 | 0.70 | 3.14 | 62.20 | 10.50 | 0.50 | - | 4.50 | 77.70 |
| 2002/2003 | 17.64 | 7.05 | 7.80 | 0.70 | 3.14 | 54.30 | 10.50 | 0.50 | - | 4.50 | 69.80 |
| 2001/2002 | 17.64 | 7.05 | 7.80 | 0.70 | 3.14 | 54.30 | 10.50 | 0.50 | - | 4.50 | 69.80 |
| 2000/2001 | 17.64 | 7.05 | 7.80 | 0.76 | 3.14 | 54.30 | 10.50 | 0.50 | - | 4.50 | 69.80 |
| 1999/2000 | 17.64 | 7.05 | 7.80 | 0.76 | 3.14 | 51.30 | 8.71 | 0.50 | 0.75 | 4.50 | 65.76 |
| 1998/1999 | 17.54 | 7.05 | 7.80 | 0.77 | 3.14 | 51.30 | 8.71 | 0.50 | 0.75 | 4.50 | 65.76 |
| 1997/1998 | 15.22 | 7.05 | 7.80 | 0.78 | 3.14 | 49.30 | 11.21 | 0.50 | 0.75 | 4.50 | 66.26 |
| 1996/1997 | 15.12 | 7.05 | 7.80 | 0.79 | 3.14 | 51.30 | 7.30 | 0.50 | 0.70 | 4.50 | 64.30 |

Source: Fairfield County and Franklin County Auditor's Offices

| Madison Township | Madison Township - City of Pickerington | Violet Township | Violet City of Pickerington/ Reynoldsburg | Liberty Township | School District Public Library | Eastland Joint Vocational School | Tax Year/ Collection Year |
|-------------------------|--|------------------------|--|-------------------------|---------------------------------------|---|----------------------------------|
| \$ 21.80 | \$ 21.20 | \$ 13.83 | \$ 12.15 | \$ 7.57 | \$ 0.15 | \$ 2.00 | 2005/2006 |
| 21.80 | 21.20 | 13.55 | 12.15 | 7.57 | 0.20 | 2.00 | 2004/2005 |
| 21.80 | 21.20 | 13.65 | 12.15 | 7.57 | 0.30 | 2.00 | 2003/2004 |
| 21.80 | 21.20 | 13.65 | 12.15 | 7.57 | 0.30 | 2.00 | 2002/2003 |
| 21.80 | 21.20 | 9.80 | 8.30 | 7.57 | 0.30 | 2.00 | 2001/2002 |
| 21.80 | 21.20 | 9.80 | 8.30 | 7.57 | 0.50 | 2.00 | 2000/2001 |
| 21.80 | 21.20 | 9.80 | 8.30 | 7.57 | 0.60 | 2.00 | 1999/2000 |
| 21.80 | 21.20 | 10.05 | 8.55 | 7.57 | 0.60 | 2.00 | 1998/1999 |
| 21.80 | 21.20 | 10.05 | 8.55 | 7.57 | 0.70 | 1.20 | 1997/1998 |
| 21.80 | 21.20 | 10.05 | 8.55 | 7.57 | 0.70 | 1.20 | 1996/1997 |

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2005 AND DECEMBER 31, 2003

| December 31, 2005 | | | |
|--------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| ANYI Apartments LLC | \$ 7,566,750 | 1 | 0.76% |
| NOCA Apartments One Limited | 5,436,030 | 2 | 0.54% |
| South Central Power Company | 4,429,320 | 3 | 0.44% |
| Regency Centers LP | 4,369,290 | 4 | 0.44% |
| Dominion Homes, Inc. | 4,347,360 | 5 | 0.43% |
| AERC Turnburry, Inc. | 4,025,000 | 6 | 0.40% |
| NOCA Retail Development | 3,607,000 | 7 | 0.36% |
| M/I Homes of Central Ohio | 3,510,690 | 8 | 0.35% |
| Brooksedge at Tussing, Inc. | 3,465,000 | 9 | 0.35% |
| Interstate Limited Partnership | 3,360,790 | 10 | 0.34% |
| Total | \$ 44,117,230 | | \$ 1,000,775,740 |

| December 31, 2003 | | | |
|--------------------------------|-------------------------------|-------------|--|
| Taxpayer | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Brentwood Lake, Inc. | \$ 7,568,750 | 1 | 1.01% |
| NOCA Apartments One Limited | 5,436,030 | 2 | 0.73% |
| AERC Turnbury Inc. | 4,025,000 | 3 | 0.54% |
| Regency Centers LP | 3,972,080 | 4 | 0.53% |
| Lakes Edge Partnership | 3,932,590 | 5 | 0.52% |
| South Central Power Company | 3,712,270 | 6 | 0.50% |
| Brooksedge at Tussing, Inc. | 3,485,000 | 7 | 0.46% |
| Interstate Limited Partnership | 3,380,790 | 8 | 0.45% |
| Dominion Homes, Inc. | 2,717,440 | 9 | 0.36% |
| Centex Homes | 2,673,870 | 10 | 0.36% |
| Total | \$ 40,903,820 | | 830,797,067 |

Source: Fairfield County Auditor's Office

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

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

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

| Tax Year/ Collection Year | Current Levy | Current Collection | Percent of Current Levy Collected | Delinquent Collection | Total Collection | Total Collection As a Percent of Total Levy |
|--|-------------------------|-------------------------------|--|----------------------------------|-----------------------------|--|
| 2005/2006 | \$ 37,094,381 | \$ 35,806,389 | 96.53% | \$ 877,081 | \$ 36,683,470 | 98.89% |
| 2004/2005 | 35,267,774 | 34,179,618 | 96.91% | 776,789 | 34,956,407 | 99.12% |
| 2003/2004 | 25,554,535 | 24,351,818 | 95.29% | 574,565 | 24,926,383 | 97.54% |
| 2002/2003 | 24,606,005 | 23,458,085 | 95.33% | 455,996 | 23,914,081 | 97.19% |
| 2001/2002 | 22,556,633 | 21,490,968 | 95.28% | 344,818 | 21,835,786 | 96.80% |
| 2000/2001 | 19,204,375 | 18,337,038 | 95.48% | 346,782 | 18,683,820 | 97.29% |
| 1999/2000 | 18,307,924 | 17,512,454 | 95.66% | 295,864 | 17,808,318 | 97.27% |
| 1998/1999 | 18,281,153 | 17,723,753 | 96.95% | 237,459 | 17,961,212 | 98.25% |
| 1997/1998 | 14,765,753 | 14,388,155 | 97.44% | 231,438 | 14,619,593 | 99.01% |
| 1996/1997 | 15,677,234 | 15,257,066 | 97.32% | 198,253 | 15,455,319 | 98.58% |

Source: Fairfield County Auditor's Office

**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 |
|------------------------|---|---------------------------|---|-------------------------------|----------------------------|
| | General Obligation Bonds | Capital Leases | | | |
| 2006 | \$ 120,033,604 | \$ - | \$ 120,033,604 | \$ 8,844 | \$ 12,345 |
| 2005 | 122,049,697 | - | 122,049,697 | 9,343 | 13,219 |
| 2004 | 123,571,606 | 66,383 | 123,637,989 | 10,168 | 13,945 |
| 2003 | 124,622,356 | 116,977 | 124,739,333 | 11,079 | 14,873 |
| 2002 | 125,757,015 | - | 125,757,015 | 12,032 | 15,848 |
| 2001 | 49,802,289 | 103,857 | 49,906,146 | 4,907 | 6,612 |
| 2000 | 50,799,627 | 199,907 | 50,999,534 | 5,208 | 7,108 |
| 1999 | 53,459,627 | - | 53,459,627 | 6,653 | 7,646 |
| 1998 | 31,439,627 | - | 31,439,627 | 3,982 | 4,702 |
| 1997 | 33,314,627 | - | 33,314,627 | 4,302 | 5,072 |

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 | Total | | |
| 2006 | \$ 120,033,604 | \$ 120,033,604 | 4.18% | \$ 8,844 |
| 2005 | 122,049,697 | 122,049,697 | 4.44% | 9,343 |
| 2004 | 123,571,606 | 123,571,606 | 5.17% | 10,163 |
| 2003 | 124,622,356 | 124,622,356 | 5.77% | 11,069 |
| 2002 | 125,757,015 | 125,757,015 | 6.92% | 12,032 |
| 2001 | 49,802,289 | 49,802,289 | 2.87% | 4,896 |
| 2000 | 50,799,627 | 50,799,627 | 3.12% | 5,188 |
| 1999 | 53,459,627 | 53,459,627 | 3.62% | 6,653 |
| 1998 | 31,439,627 | 31,439,627 | 2.24% | 3,982 |
| 1997 | 33,314,627 | 33,314,627 | 2.50% | 4,302 |

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, 2006

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|------------------------------------|-----------------------------|--|--|
| Pickerington Local School District | \$ 120,033,604 | 100.00% | \$ 120,033,604 |
| Overlapping debt: | | | |
| Fairfield County | 10,027,000 | 33.52% | 3,361,050 |
| Franklin County | 93,175,000 | 0.05% | 46,588 |
| City of Columbus | 439,166,030 | 0.89% | 3,908,578 |
| City of Pickerington | 11,162,000 | 99.85% | 11,145,257 |
| City of Reynoldsburg | 105,000 | 2.42% | 2,541 |
| Violet Township | <u>3,005,000</u> | 94.33% | <u>2,834,617</u> |
| Total direct and overlapping debt | <u>\$ 676,673,634</u> | | <u>\$ 141,332,235</u> |

Source: Ohio Municipal Advisory Council

**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 | Total Net Debt Applicable to Limit as a Percentage of Debt Limit |
|--------------------|-------------------------|---------------------------------------|---------------------------------------|-------------------------------------|--------------------------------|---|
| 2006 | \$ 90,069,817 | \$ 120,033,604 | \$ 11,159,050 | \$ 108,874,554 | \$ (18,804,737) | 120.88% |
| 2005 | 86,040,778 | 122,049,697 | 9,447,143 | 112,602,554 | (26,561,776) | 130.87% |
| 2004 | 74,771,736 | 123,571,606 | 7,711,039 | 115,860,567 | (41,088,831) | 154.95% |
| 2003 | 67,477,779 | 124,622,356 | 6,032,554 | 118,589,802 | (51,112,023) | 175.75% |
| 2002 | 56,753,156 | 125,757,015 | 6,201,343 | 119,555,672 | (62,802,516) | 210.66% |
| 2001 | 54,250,852 | 49,802,289 | 6,577,015 | 43,225,274 | 11,025,578 | 79.68% |
| 2000 | 50,881,308 | 50,799,627 | 5,717,332 | 45,082,295 | 5,799,013 | 88.60% |
| 1999 | 46,089,151 | 53,459,627 | 5,701,536 | 47,758,091 | (1,668,940) | 103.62% |
| 1998 | 43,776,536 | 31,439,627 | 4,798,258 | 26,641,369 | 17,135,167 | 60.86% |
| 1997 | 41,584,021 | 33,314,627 | 3,381,572 | 29,933,055 | 11,650,966 | 71.98% |

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.

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

| <u>Year</u> | <u>Population (1)</u> | <u>Per Capita Personal Income (2)</u> | <u>Median Age (2)</u> | <u>School Enrollment (3)</u> | <u>Unemployment Rates</u> | | |
|-------------|-----------------------|---|---------------------------|----------------------------------|-----------------------------|-------------|--------------------------|
| | | | | | <u>Fairfield County</u> | <u>Ohio</u> | <u>United States</u> |
| 2006 | 13,573 | \$ 25,839 | 32.7 | 9,723 | 5.2% | 5.9% | 5.1% |
| 2005 | 13,063 | 25,839 | 32.7 | 9,233 | 5.4% | 6.2% | 5.5% |
| 2004 | 12,159 | 25,839 | 32.7 | 8,866 | 5.3% | 5.7% | 5.1% |
| 2003 | 11,259 | 25,839 | 32.7 | 8,387 | 5.1% | 5.5% | 5.7% |
| 2002 | 10,452 | 25,839 | 32.7 | 7,935 | 3.5% | 5.3% | 6.0% |
| 2001 | 10,171 | 25,839 | 32.7 | 7,548 | 3.3% | 4.8% | 5.8% |
| 2000 | 9,792 | 25,839 | 32.7 | 7,175 | 2.9% | 3.9% | 4.0% |
| 1999 | 8,035 | 15,330 | 32.7 | 6,992 | 3.0% | 4.0% | 4.1% |
| 1998 | 7,895 | 15,330 | 32.7 | 6,686 | 3.2% | 4.3% | 4.5% |
| 1997 | 7,744 | 15,330 | 32.7 | 6,568 | 3.6% | 4.6% | 4.9% |

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

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

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

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

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND ONE YEAR AGO**

| Employer | December 31, 2005 | | |
|------------------------------------|--------------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment |
| Pickerington Local School District | 1,060 | 1 | 6.08% |
| Kroger Company | 320 | 2 | 1.83% |
| Kohl's Department Stores | 318 | 3 | 1.82% |
| Cracker Barrel Restaurant | 259 | 4 | 1.48% |
| Kindred Nursing Care | 145 | 5 | 0.83% |
| American Motorcycle Association | 106 | 6 | 0.61% |
| City of Pickerington | 97 | 7 | 0.56% |
| R.G. Barry Corporation | 96 | 8 | 0.55% |
| Mt. Carmel Health Care Providers | 60 | 9 | 0.34% |
| Pediatric Associates | 49 | 10 | 0.28% |
| Total | 2,510 | | 14.38% |

| Employer | December 31, 2004 | | |
|------------------------------------|--------------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment |
| Pickerington Local School District | 1,005 | 1 | 5.76% |
| Kroger Company | 320 | 2 | 1.83% |
| Cracker Barrel Restaurant | 259 | 3 | 1.48% |
| Kindred Nursing Care | 146 | 4 | 0.84% |
| City of Pickerington | 102 | 5 | 0.58% |
| R.G. Barry Corporation | 106 | 6 | 0.61% |
| American Motorcycle Association | 105 | 7 | 0.60% |
| Mt. Carmel Health Care Providers | 59 | 8 | 0.34% |
| Pediatric Associates | 54 | 9 | 0.31% |
| Huntington National Bank | 57 | 10 | 0.33% |
| Total | 2,213 | | 12.68% |

Source: City of Pickerington CAFR

Note: Information on principal employers prior to 2004 was not available.

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

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

| <u>Type</u> | <u>2006</u> | <u>2005 (1)</u> | <u>2004 (1)</u> |
|----------------------------|---------------|-----------------|-----------------|
| Office - administrative | 39.00 | 37.50 | 34.50 |
| Professional - educational | 591.20 | 537.79 | 515.55 |
| Professional - other | 22.10 | 22.10 | 16.40 |
| Technical | 12.50 | 13.00 | 12.41 |
| Office - clerical | 119.66 | 107.37 | 82.21 |
| Craft & trade | 8.00 | 7.00 | 7.00 |
| Service worker/laborer | 90.18 | 87.69 | 91.78 |
| Total | <u>882.64</u> | <u>812.45</u> | <u>759.85</u> |

| <u>Function</u> | <u>2006</u> | <u>2005 (1)</u> | <u>2004 (1)</u> |
|-------------------------------|---------------|-----------------|-----------------|
| Instruction: | | | |
| Regular | 486.61 | 449.50 | 428.25 |
| Special | 49.50 | 43.00 | 38.00 |
| Vocational | 12.09 | 9.69 | 10.00 |
| Support Services: | | | |
| Pupil | 73.61 | 68.47 | 52.90 |
| Instructional staff | 76.90 | 67.60 | 73.12 |
| Administration | 72.75 | 66.50 | 61.30 |
| Fiscal | 9.00 | 9.00 | 9.00 |
| Business | 2.00 | 2.00 | 2.00 |
| Operations and maintenance | 67.50 | 63.50 | 55.00 |
| Pupil transportation (2) | - | - | - |
| Food service operations | 32.68 | 33.19 | 30.28 |
| Total Governmental Activities | <u>882.64</u> | <u>812.45</u> | <u>759.85</u> |

Source: School District records

- (1): Past data was not easily attainable therefore estimates have been used if data could not be obtained. Information prior to fiscal year 2004 was not available.
- (2) Pupil transportation services are contracted to a third party, therefore these personnel are not paid directly by the District.

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

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

| Function | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction: | | | | | | | | | | |
| Regular and Special | | | | | | | | | | |
| Enrollment (students) * | 9,723 | 9,233 | 8,866 | 8,387 | 7,935 | 7,548 | 7,175 | 6,992 | 6,686 | 6,568 |
| Graduates | 663 | 606 | 554 | 497 | 494 | 483 | 503 | 479 | 390 | 429 |
| Support services: | | | | | | | | | | |
| Board of education | | | | | | | | | | |
| Regular meetings per year | 18 | 15 | 17 | 15 | 17 | 11 | 12 | 12 | 11 | 12 |
| Special meetings per year | 12 | 13 | 12 | 11 | 11 | 10 | 7 | 11 | 18 | 12 |
| Administration | | | | | | | | | | |
| Nonpayroll checks issued | 6,702 | 7,680 | 7,638 | 6,906 | n/a | n/a | n/a | n/a | n/a | n/a |
| Pupil transportation | | | | | | | | | | |
| Avg. students transported daily | 5,973 | 5,457 | 5,413 | 5,589 | 5,145 | n/a | n/a | n/a | n/a | n/a |
| Food service operations | | | | | | | | | | |
| Meals served to students | 992,018 | 928,798 | 928,457 | 805,711 | 753,964 | n/a | n/a | n/a | 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.

n/a: Information is not available.

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

CAPITAL ASSET STATISTICS
LAST FOUR FISCAL YEARS

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Land | \$ 6,090,899 | \$ 6,090,899 | \$ 6,090,899 | \$ 6,090,899 |
| Land improvements | 9,072,627 | 8,636,895 | 9,141,608 | 1,963,748 |
| Buildings and improvements | 97,451,837 | 101,362,695 | 105,241,129 | 46,040,541 |
| Furniture, fixtures and equipment | 1,791,751 | 1,967,504 | 2,184,931 | 414,056 |
| Vehicles | 614,412 | 513,598 | 149,174 | 10,604 |
| Construction in Progress | - | 278,952 | - | 64,311,992 |
| Total Governmental Activities | | | | |
| Capital Assets, net | <u>\$ 115,021,526</u> | <u>\$ 118,850,543</u> | <u>\$ 122,807,741</u> | <u>\$ 118,831,840</u> |

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001 (2)</u> |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|
| Heritage Elementary (1907) (1) | | | | | | |
| Square feet | 92,544 | 92,544 | 92,544 | 92,544 | 92,544 | 92,544 |
| Capacity (students) | 771 | 771 | 771 | 771 | 771 | - |
| Enrollment | 869 | 655 | 576 | 471 | 444 | - |
| Fairfield Elementary (1980) | | | | | | |
| Square feet | 48,435 | 48,435 | 48,435 | 48,435 | 48,435 | 48,435 |
| Capacity (students) | 787 | 787 | 787 | 787 | 787 | 787 |
| Enrollment | 696 | 659 | 643 | 665 | 647 | 632 |
| Pickerington Elementary (1977) | | | | | | |
| Square feet | 46,516 | 46,516 | 46,516 | 46,516 | 46,516 | 46,516 |
| Capacity (students) | 372 | 372 | 372 | 372 | 372 | 372 |
| Enrollment | 773 | 860 | 739 | 656 | 585 | 826 |
| Tussing Elementary (1996) | | | | | | |
| Square feet | 75,501 | 75,501 | 75,501 | 75,501 | 75,501 | 75,501 |
| Capacity (students) | 653 | 653 | 653 | 653 | 653 | 653 |
| Enrollment | 844 | 789 | 820 | 814 | 788 | 769 |
| Violet Elementary (1977) | | | | | | |
| Square feet | 46,516 | 46,516 | 46,516 | 46,516 | 46,516 | 46,516 |
| Capacity (students) | 372 | 372 | 372 | 372 | 372 | 372 |
| Enrollment | 721 | 747 | 732 | 736 | 709 | 776 |
| Diley Middle School (2000) | | | | | | |
| Square feet | 94,951 | 94,951 | 94,951 | 94,951 | 94,951 | 94,951 |
| Capacity (students) | 693 | 693 | 693 | 693 | 693 | 693 |
| Enrollment | 684 | 681 | 689 | 697 | 617 | 569 |
| Harmon Middle School (2000) | | | | | | |
| Square feet | 89,211 | 89,211 | 89,211 | 89,211 | 89,211 | 89,211 |
| Capacity (students) | 656 | 656 | 656 | 656 | 656 | 656 |
| Enrollment | 646 | 632 | 679 | 641 | 641 | 616 |
| Ridgeview Junior High School (1968) | | | | | | |
| Square feet | 115,851 | 115,851 | 115,851 | 115,851 | 115,851 | 115,851 |
| Capacity (students) | 821 | 821 | 821 | 821 | 821 | 821 |
| Enrollment | 719 | 637 | 599 | 1,321 | 1,253 | 1,222 |
| Lakeview Junior High School (2003) | | | | | | |
| Square feet | 142,082 | 142,082 | 142,082 | n/a | n/a | n/a |
| Capacity (students) | 1,008 | 1,008 | 1,008 | n/a | n/a | n/a |
| Enrollment | 879 | 809 | 801 | n/a | n/a | n/a |
| Pickerington Central High School (1991) | | | | | | |
| Square feet | 245,652 | 245,652 | 245,652 | 245,652 | 245,652 | 245,652 |
| Capacity (students) | 1,471 | 1,471 | 1,471 | 1,471 | 1,471 | 1,471 |
| Enrollment | 1,216 | 1,088 | 1,170 | 2,386 | 2,251 | 2,138 |
| Pickerington North High School (2003) | | | | | | |
| Square feet | 323,473 | 323,473 | 323,473 | n/a | n/a | n/a |
| Capacity (students) | 1,937 | 1,937 | 1,937 | n/a | n/a | n/a |
| Enrollment | 1,676 | 1,676 | 1,418 | n/a | n/a | n/a |
| Total enrollment by year | 9,723 | 9,233 | 8,866 | 8,387 | 7,935 | 7,548 |

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 the square footage amounts.

Renovations have been made to several buildings over the years, however, the change affect of square footage and capacity are not available, therefore, the District has presented the current square footage and capacity as of the study performed by OSFC.

(1) Heritage operates as a "swing" building. For the school years 1996-2000 Heritage accomodated middle school students, for the school years 2002-2003 Heritage accomodated K-4 students, for school year 2005 K-5 and school year 2006 K-6.

(2) During school year 2001 Heritage was closed for renovations.

| 2000 | 1999 | 1998 | 1997 |
|---------|---------|---------|---------|
| 92,544 | 92,544 | 92,544 | 92,544 |
| 771 | 771 | 771 | 771 |
| 1,130 | 1,126 | 1,073 | 1,010 |
| 48,435 | 48,435 | 48,435 | 48,435 |
| 787 | 787 | 787 | 787 |
| 631 | 629 | 606 | 638 |
| 46,516 | 46,516 | 46,516 | 46,516 |
| 372 | 372 | 372 | 372 |
| 747 | 734 | 704 | 764 |
| 75,501 | 75,501 | 75,501 | 75,501 |
| 653 | 653 | 653 | 653 |
| 690 | 657 | 574 | 457 |
| 46,516 | 46,516 | 46,516 | 46,516 |
| 372 | 372 | 372 | 372 |
| 756 | 726 | 740 | 742 |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| 115,851 | 115,851 | 115,851 | 115,851 |
| 821 | 821 | 821 | 821 |
| 1,142 | 1,056 | 1,010 | 1,050 |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| 245,652 | 245,652 | 245,652 | 245,652 |
| 1,471 | 1,471 | 1,471 | 1,471 |
| 2,079 | 2,064 | 1,979 | 1,907 |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| n/a | n/a | n/a | n/a |
| 7,175 | 6,992 | 6,686 | 6,568 |

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

**EDUCATIONAL INDICATORS
LAST TEN FISCAL YEARS**

| | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 3rd Grade Achievement | | | | | | | | | | |
| (Initiated March, 2005) | | | | | | | | | | |
| Reading | 90.6% | 90.9% | 92.8% | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mathematics | 83.8% | 80.8% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 4th Grade Proficiency/Achievement | | | | | | | | | | |
| (Initiated March, 1995) | | | | | | | | | | |
| Reading | 89.5% | 89.7% | 87.5% | 82.7% | 83.2% | 79.6% | 84.2% | 86.7% | 70.1% | 64.9% |
| Writing | 93.1% | 90.3% | 91.0% | 88.3% | 90.8% | 93.3% | 95.2% | 84.3% | 79.9% | 79.7% |
| Mathematics | 89.7% | 82.0% | 82.9% | 77.6% | 83.9% | 84.2% | 76.3% | 81.1% | 71.1% | 62.7% |
| Science | n/a | 77.7% | 79.7% | 73.0% | 79.0% | 80.0% | 77.4% | 79.2% | 73.0% | 60.1% |
| Citizenship | n/a | 83.2% | 79.3% | 79.9% | 85.7% | 84.4% | 85.7% | 93.4% | 78.0% | 71.4% |
| 5th Grade Achievement | | | | | | | | | | |
| (Initiated March, 2005) | | | | | | | | | | |
| Reading | 87.0% | 89.6% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mathematics | 72.3% | 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 | 94.6% | 84.2% | 85.5% | 86.4% | 79.9% | 83.2% | 80.9% | 79.4% | 76.9% | 65.9% |
| Writing | n/a | 93.6% | 97.2% | 95.2% | 97.3% | 96.7% | 93.5% | 95.9% | 97.6% | 86.9% |
| Mathematics | 74.7% | 80.7% | 87.6% | 73.8% | 86.3% | 87.7% | 84.7% | 79.7% | 68.3% | 68.1% |
| Science | n/a | 80.6% | 83.1% | 87.2% | 83.1% | 86.5% | 77.6% | 68.0% | 69.2% | 62.7% |
| Citizenship | n/a | 88.5% | 88.5% | 91.5% | 93.8% | 90.7% | 93.7% | 93.1% | 84.9% | 80.5% |
| 7th Grade Achievement | | | | | | | | | | |
| (Initiated March, 2005) | | | | | | | | | | |
| Reading | 91.2% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mathematics | 74.8% | 71.3% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 8th Grade Achievement | | | | | | | | | | |
| (Initiated March, 2005) | | | | | | | | | | |
| Reading | 88.7% | 90.4% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mathematics | 81.5% | 74.0% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| 9th Grade Proficiency | | | | | | | | | | |
| (Passing on 1st Attempt) | | | | | | | | | | |
| Writing | n/a | n/a | 97.9% | 96.4% | 97.8% | 99.2% | 98.2% | 97.9% | 97.9% | 90.5% |
| Reading | n/a | n/a | 97.3% | 95.4% | 97.3% | 97.5% | 98.8% | 97.6% | 97.3% | 95.4% |
| Mathematics | n/a | n/a | 91.8% | 89.9% | 91.3% | 92.0% | 94.8% | 89.5% | 90.1% | 82.5% |
| Citizenship | n/a | n/a | 95.9% | 93.8% | 96.6% | 95.5% | 96.4% | 94.2% | 93.4% | 93.3% |
| Science | n/a | n/a | 95.6% | 92.1% | 96.2% | 93.2% | 95.0% | 93.0% | 90.7% | n/a |
| 10th Grade Ohio Graduation Test (OGT): | | | | | | | | | | |
| (Initiated March, 2005) | | | | | | | | | | |
| Reading | 96.3% | 97.2% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Writing | 96.0% | 93.0% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Mathematics | 93.6% | 92.7% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Science | 88.8% | 87.8% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Social Studies | 91.6% | 89.8% | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| ODE Per Pupil Costs | | | | | | | | | | |
| Pickerington | \$ 8,834 | \$ 8,346 | \$ 7,998 | \$ 7,426 | \$ 7,430 | \$ 6,854 | \$ 6,371 | \$ 6,075 | \$ 5,852 | \$ 5,535 |
| State | \$ 9,356 | \$ 9,048 | \$ 8,758 | \$ 8,438 | \$ 8,073 | \$ 7,602 | \$ 7,057 | \$ 6,642 | \$ 6,232 | \$ 5,939 |
| Pupil/Teacher Ratio | 20.20 | 21.00 | 21.40 | 18.00 | 18.10 | 20.10 | 19.90 | 20.70 | 21.00 | 20.00 |
| Student Attendance Rate | 96.4% | 96.6% | 96.6% | 96.2% | 96.0% | 95.8% | 95.9% | 95.5% | 95.9% | 95.6% |
| High School Graduation Rate | n/a | 97.1% | 95.8% | 98.2% | 95.9% | 96.2% | 92.2% | 92.8% | 92.6% | 92.0% |
| Performance Standards | | | | | | | | | | |
| Pickerington | 22 | 21 | 18 | 20 | 22 | 27 | 27 | 26 | 16 | 14 |
| Number of Standards | 25 | 23 | 18 | 22 | 22 | 27 | 27 | 27 | 18 | 18 |
| Rating | Excellent | Effective | Excellent | Effective | Excellent | Excellent | *Effective | *Effective | - | - |
| Performance Index Score | 101.1 | 99.7 | 99.5 | 96.7 | n/a | n/a | n/a | n/a | n/a | n/a |

Sources: School District records and Ohio Department of Education

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

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | General Government | Governmental Activities (2) | Enrollment (3) | Percent Change | Teaching Staff |
|------------------------|-------------------------------|--|-----------------------|---------------------------|---------------------------|
| | Expenditures (1) | Expenses (1) | | | |
| 2006 | \$ 85,965,745 | \$ 89,821,383 | 9,723 | 5.31% | 658 |
| 2005 | 79,928,897 | 83,927,573 | 9,233 | 4.14% | 618 |
| 2004 | 78,263,326 | 73,414,993 | 8,866 | 5.71% | 617 |
| 2003 | 97,167,641 | 64,576,632 | 8,387 | 5.70% | 586 |
| 2002 | 86,453,357 | n/a | 7,935 | 5.13% | 554 |
| 2001 | 59,561,928 | n/a | 7,548 | 5.20% | 554 |
| 2000 | 58,117,935 | n/a | 7,175 | 2.62% | 474 |
| 1999 | 48,654,580 | n/a | 6,992 | 4.58% | 430 |
| 1998 | 37,819,694 | n/a | 6,686 | 1.80% | 430 |
| 1997 | 35,482,451 | n/a | 6,568 | 6.38% | 404 |

Sources: District records and the Ohio Department of Education

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2003.

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

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

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 26.

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Mary Taylor, CPA
Auditor of State

PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 5, 2007