



Board Of Education
Of
Gahanna-Jefferson
Public School District

Comprehensive Annual
Financial Report

For Fiscal Year Ended
June 30, 2011

By Julio Valladares, MBA
Treasurer/CFO



Dave Yost • Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Gahanna-Jefferson Public School District, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 10, 2012

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**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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I. INTRODUCTORY SECTION

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GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

Gahanna-Jefferson Public School District
Elected Officials and Administrative Staff
as of June 30, 2011

BOARD OF EDUCATION MEMBERS

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

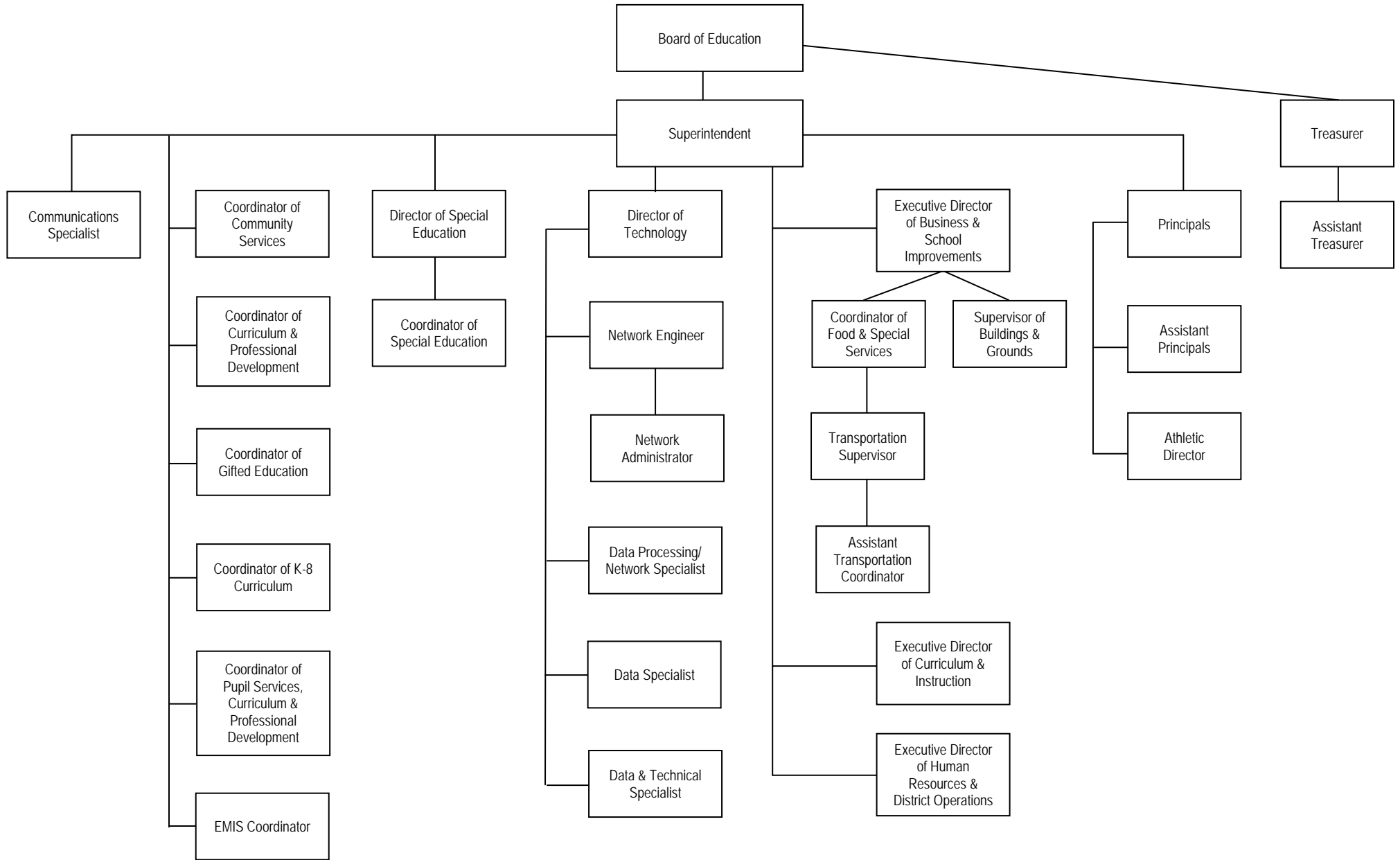
APPOINTED OFFICIALS

Superintendent	Mr. Mark White
Treasurer	Mr. Julio Valladares

ADMINISTRATIVE STAFF

Executive Director - Human Resources	Mr. Matt Cygnor
Executive Director of Business Affairs	Mrs. Kristen Groves
Executive Director of Curriculum	Mrs. Beth Spieth
Director of Special Education Services	Mr. Mark Semer
Principal, Lincoln High School	Mr. Dwight Carter
Principal, Middle School West	Mr. Brett Harmon
Principal, Middle School East	Mr. Brad Barboza
Principal, Middle School South	Ms. Angie Adrean
Principal, Blacklick Elementary School	Mrs. Robin Schmidt
Principal, Chapelfield Elementary School	Mr. Scott Schmidt
Principal, Goshen Elementary School	Mr. Scott Emery
Principal, High Point Elementary School	Mrs. Kathleen Erhard
Principal, Jefferson Elementary School	Mrs. Roben Frentzel
Principal, Lincoln Elementary School	Mr. Jim Micciulla
Principal, Royal Manor Elementary School	Mr. Rick Oxley

Gahanna-Jefferson Public Schools Organization Chart





Gahanna - Jefferson Public Schools

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

December 13, 2011

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

As Treasurer and Superintendent of the Gahanna-Jefferson City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2011 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Accountants' Report.

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

The Office of the Treasurer is responsible for the accuracy of the data presented and the completeness and fairness of this presentation. We believe the data presented are necessary to enable the reader to acquire the maximum understanding of the District's financial activity.

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

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

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

Economic Condition and Outlook

Approximately 85% of the District's enrolled students reside in the City of Gahanna. Gahanna is a suburban community that has experienced little residential and commercial growth during the past few years. Approximately 95% of the City is developed. Jefferson Township, which until recently had been primarily rural, is now experiencing residential developments. Tax valuation has increased 3% in the last five years as a result of commercial and residential growth.

The District, along with many other public school systems in the state, still faces some difficult situations in the future since the primary funding source is property tax revenues. Ohio law, specifically House Bill 920, limits growth in real estate tax revenues by reducing millage as assessed values increase. This law keeps revenues from each levy relatively constant. Additionally, House Bill 95 and House Bill 66, included tax reductions and eliminated taxes on corporation's personal property for school districts, which ultimately lead to a pronounced shifting of tax burden to residential and agricultural property tax payers. However, House Bill 1, retained the state reimbursement of this revenue through 2013 but, the latest budget bill HB153 eliminates the state reimbursement through the end of fiscal year 2012 instead of through the end of fiscal year 2013. there still no permanent plan to replace this lost revenue stream.

Historically, the community has been supportive of education. This has been demonstrated by the passage of an \$8,250,000 bond issue in May 1994, and, a combined 6.3 mill permanent operating levy and a \$28.5 million bond issue in November 1998. The District issued those bonds during fiscal year 1999. In addition a 6.5 mill permanent operating levy was passed in November 1995 and a 7.9 mill operating levy passed in May of 2006 and most recently a 5.2 mill levy was passed in May of 2011. Management believes that by maintaining continued sound financial management practices, continued quality of program offerings, and the solid working relationship with the community, it is likely that community support will remain strong in the future.

In addition, the Gahanna-Jefferson Board of Education recently approved a resolution for a ground lease for 85 years to Wagenbrenner Development, Inc., for design and construction of 24,000 sq. ft. of new commercial space on the remaining undeveloped land adjacent to Clark Hall, which is titled "The Commons at Clark Hall." Wagenbrenner is investing about \$5.9 million to create two, one-story retail buildings. This ground lease will provide GJPS with an additional annual revenue stream of \$132,000 to begin as early as February 2012. Revenues from this agreement as well as revenues from Clark Hall's first floor leases will help offset the cost of building Clark Hall.

The District and Its Facilities

The District serves an area of 32 square miles in and around the City of Gahanna. It is located in Franklin County, approximately 10 miles east of downtown Columbus, the state capital. The Gahanna-Jefferson City School District is a suburban district experiencing little or no growth in the last 10 years. Gahanna's population in 1999 was approximately 30,050 residents. During 2011, according the City of Gahanna, population has increased to a little over 34,355.

Over the last ten years, the District has experienced growth in enrollment as well as decreases. However during fiscal year 2011, the District experienced an increase in enrollment of 11 students. Projections in the coming years are being similar to the previous years.

The District's facilities include seven elementary schools (Grades K-5) with 3,125 students, three middle schools (Grades 6 to 8) with 1,659 students, one high school (Grades 9-12) with 2,291 students, for a total of 7,075 students within the District. Other facilities within the District include a maintenance building, a bus garage, an alternative school, the central office and several athletic fields.

Major Initiatives

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

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

The practice of frequent, ongoing assessment of daily learning and student understanding is evident throughout the district. Instruction is shaped by student needs that are identified with the evidence and data derived from the daily evaluation of student work. The ultimate goal for every student is the development of thorough understanding and comprehension represented by the ability to coherently articulate or demonstrate a concept.

GAHANNA-JEFFERSON GRADUATE PROFILE
 RESPONSIBLE COMMUNITY MEMBER | COLLABORATIVE TEAM MEMBER | COMPREHENSIVE PROBLEM SOLVER
 EFFECTIVE COMMUNICATOR | PROFICIENT TECHNOLOGY USER

We anticipate each student to become a global citizen with a passion about learning. An appreciator of the arts, a culturally aware member of social issues, and a servant to the needs of others. As a global citizen, a Gahanna-Jefferson student will be:

- A Responsible Community Member:**
 - I can work responsibly.
 - I can respect myself, others, and the environment.
 - I can appreciate and address differences in culture.
 - I can show character in my work and goals.
 - I can accept my community's leadership roles.
 - I can make healthy choices.
- A Collaborative Team Member:**
 - I can respect others' ideas.
 - I can meet with others and lead when needed.
 - I can change my mind when I hear and do new things.
 - I can be passionate about what I believe in. It is done by my beliefs.
- A Proficient Technology User:**
 - I can confidently use different technology.
 - I can use technology responsibly and honestly.
 - I can choose technology and information that will help me achieve my goals.
- A Comprehensive Problem Solver:**
 - I can think creatively on my own.
 - I can find people or resources to help me.
 - I can create a plan for different situations.
 - I can check my plan and decide what to do next.
- An Effective Communicator:**
 - I can be a forward thinker.
 - I can be a quality writer.
 - I can speak to different audiences.
 - I can gather and understand information.

A Means to the Graduate Profile:
 Each teacher will receive a rigorous academic foundation in English, mathematics, science, social studies, economics, foreign language, literature, science, technology, engineering, art and world education, and optional courses. Each student will be able to pursue educational opportunities relevant to individual interests. The relationship the student develops with peers, staff and community members throughout the journey will support the transition from student to global citizen.

Where Students Come First | Gahanna-Jefferson Public Schools, Gahanna, OH

As technology has exponentially increased the speed of communication across long distances and all languages, making the world smaller and more accessible, so is it changing the ways of teaching and learning. The addition of Clark Hall in August of 2011 is going to provide additional space for students to collaborate virtually with one another inside the building walls as well as with others across the street, the state, country and world.

Flexibility in the way course credit is earned and the way students learn is evident at Clark Hall and will be replicated throughout the district. It is an exciting time for the students and community of Gahanna as an educational transformation is taking place in response to the changing world in which we live.

Lincoln High School students (primarily juniors and seniors) attend classes on the second and third floors of Clark Hall. The first floor is leased to Eastland-Fairfield Career & Technical Schools, Columbus State Community College, and Education First Credit Union. These unique partnerships not only allow the GJPS to provide a seamless transition from high school into college; but to also finance the cost of construction.

The impact of Clark Hall goes beyond the high school. A strategic partnership with Cisco Systems, Dell and Intel has provided opportunities to upgrade the network infrastructure that has improved connectivity in all district buildings (K-8 levels too), and most importantly, supports a philosophy of broad-scale, K-12 technology usage for students.

Departmental Focus

Technology

The last year has seen significant changes in the Gahanna-Jefferson Public Schools, from the addition of a new, 21st Century high school annex to the technology that drives that building – and that has been extended to benefit the rest of the district.

Two major requirements for Clark Hall, the new district school building, were a telephone system and full-building wireless coverage. Rather than put in standalone systems to serve only the needs at Clark Hall, the district chose to implement systems that would offer these services and other major benefits not only to Clark, but also allow us to provide these services to all our other buildings and students and proactively address aging – and failing – systems in a cost-effective manner.

New Data, Multimedia, and Phone Network Design

The district's existing network, installed in approximately 2003, was designed for basic functions such as file sharing across the network and access to the Internet. Since almost all of the technologies adopted this year, as well as the primary goals we see on the horizon, are network-based, the first step for the district was to fully review the existing network to determine if it was capable of meeting even current, not to mention future, needs. Unfortunately, but not unexpectedly, we found that since our network was built well before technologies such as streaming high-definition video and Voice over Internet Protocol (VoIP) telephony, the old network was inadequate to address the high demands required by the new systems. In fact, during the most recent technology planning sessions by district teachers, administrators, and others, it had become clear that the existing network was no longer keeping up with user expectations regarding even the basic services for which it had originally been installed. To meet our goals, it would first be necessary to upgrade all the core network infrastructure hardware to high capability industry-standard equipment.

While cost-effectiveness was, obviously, a primary consideration in the design of the new network, we also kept an eye to the future in an attempt to build something that would serve us well now but also provide the flexibility to allow for growth and address expanding expectations, particularly in the areas of mobility, multimedia, and bring your own devices, without requiring a major upgrade.

Replace All Network “Infrastructure” Hardware

Last year, as part of our Technology Plan goal to build a stronger, more reliable network, we piloted the upgrade of some key network hardware with more current equipment and were rewarded with performance gains that were immediately noticeable to our students and staff. After careful review of capabilities, manageability, and functionality of current infrastructure equipment (and aggressive pricing

that also made the equipment purchase more cost-effective), the decision was made to go with Cisco infrastructure components as the building blocks upon which the other technologies in this report are based. Going with an industry leader helps ensure the platform will provide a solid foundation for everything we are trying to do now, and well into the future.

Over Winter Break, 2010, the district began the replacement of all infrastructure components with the new Cisco hardware. This move alone greatly increased the capability, bandwidth, reliability, and speed of the new network, and the design prepared us for the greater inter-building capability of fiber connectivity between our network “core” in Lincoln High School and our outlying buildings served by that core. This upgrade, completed in early February, coupled with the fiber project (covered next), has provided an excellent platform upon which we can build varied and dependable technology services.

City / District Fiber Optic Partnership

The City of Gahanna has spent several years building a citywide fiber optic network, and during the summer of 2011 the schools took the final steps in a City/District partnership that allows the schools to take advantage of the City fiber by building out the “final mile” connections to the buildings. This fiber partnership has taken the connections to our schools, in most cases¹, from 10 Meg connections to 10 Gig connections, for a 1000x expansion of bandwidth. This increased capability not only allows us to address immediate need, such as the move to a district-wide Voice over Internet Protocol (VoIP) telephone system, but also proactively addresses future needs such as multimedia distribution and other anticipated future district technology goals.

Full Wireless Network Coverage in All Buildings

The future is mobile, and although that mantra has been most evident throughout the design process of Clark Hall, it is equally true of our other buildings as well. To address this need, during the summer of 2011 the district also implemented a new Cisco wireless network that provides the centralized control of wireless throughout all buildings in the district. In an effort to reduce the cost of this new service, the district’s Technology Department staff installed most of the cabling necessary to add the Wireless Access Points (WAPs) required to serve all areas in all buildings.

The wireless network was designed from its inception to provide network access not only for district-owned devices, but to also to address the expanding trend of allowing students and staff to use their own devices to access district network resources. Allowing students and staff to use their own devices not only increases productivity and engagement, but expands educational opportunities without increasing costs to the district. While this focus is causing some security and support challenges, we are certain the efforts will be rewarded with a more typical real world educational environment.

New Notebook Computers

To take advantage of the new wireless networking capabilities, over 700 new notebook computers were purchased for use in all buildings. The mobility focus was most evident in Clark Hall, where 420 notebook computers were ordered compared to only 34 traditional desktop computers for permanent placement use in building classrooms and offices. In order for all buildings to benefit from the new wireless capability, each middle- and elementary school received one cart’s worth of new notebooks, and the main high school complex received 90 new units. The mobility allowed by the notebooks will allow students to work in any area and in whatever student configuration is best suited to achieve their specific academic goals.

¹ Blacklick Elementary School is too far outside the City fiber network to be cost-effectively connected, so they will continue on a leased fiber connection provided through our Instructional Technology Center (MEC).

New Districtwide Voice over Internet Protocol (VoIP) Telephone System

Again, driven by the need for telephone service new high school building, a review was made of existing systems district-wide and it was determined that a holistic approach was more appropriate than purchasing yet another standalone system to address the needs of Clark Hall alone. Existing district telephone systems were numerous, aging, and some were well past due for replacement. In fact, during the implementation of the new phone system, the existing system in Blacklick Elementary School did fail and would have needed to be replaced individually had it not been for the new system being implemented district-wide.

By taking the wider approach, the district was able to not only replace service to existing main building telephones, but also expand service to all classroom and other previously “no service” areas to increase student and staff safety and both intra- and extra-district communications options at a significantly reduced recurring monthly telephony service charge. Since the technology department staff already has experience maintaining VoIP systems, support can be performed by existing staff without incurring support fees from external providers.

Although we are currently only in the initial stages of using our new system, we have already found widespread enthusiasm among our staff for new features and functionality, particularly the unified communications feature that delivers voicemail not only to the user’s telephone, but also to his or her e-mail. This not only allows a single pickup point for multiple communications systems, but is particularly useful to Special Education staff and team teachers who are now able to easily share the exact communication from parents or other involved parties. Even seemingly unrelated goals, such as our district green initiatives, have been positively impacted by the addition of an integrated electronic telephone directory that saves on printing / duplication costs – not to mention the cost of staff time spent in making constant revisions to building- and district level staff telephone lists, and the cost of reprinting and distributing those lists.

The new VoIP system will also provide the platform for additional services to be added during the 2011 – 2012 school year, such as paging, intercom, and enhanced 911 services.

Network-Based Security

While wireless networking and bring your own device directives have created security challenges for network data protection, the new network is providing a solid platform for a variety of security systems to protect district students, staff, and property. Once again leveraging systems installed primarily to address the needs of Clark Hall, both the IP-based security camera and building access systems will ultimately be expanded to meet district needs in other buildings as well. We expect that IP-based surveillance systems will be the first to be extended to other district buildings, almost certainly during the 2011-2012 school year, but also anticipate that building and area access controls using keycards electronic door strikes tied to the systems implemented during the Summer of 2011 will soon be implemented in other key areas in the district.

Miscellaneous Technology Projects

Few things evolve as rapidly as technology projects, so the past year has also seen a wide variety of smaller, but still impactful, technology initiatives to satisfy existing needs or proactively address future goals. These include:

1. Upgrading electrical service to “LAN Central,” the district’s technology core, to better protect the district’s systems and help assure service continuity in difficult situations. The expansion of existing Uninterruptible Power Supply (UPS) capability, for instance, will help ensure critical district systems such as telephones and security systems continue during short power outages, and the addition of a long-pursued natural-gas generator will keep these services available at the core even during extended outages. As the district continues to investigate 24/7 learning through blended classroom environments and building an internal cloud, this protection is increasingly critical as it will even impact the ability of students and staff outside the district to access internal resources.
2. Upgrading fire suppression systems in LAN Central from a wet to a dry suppression model. This will minimize the damage to literally millions of dollars worth of equipment should a fire ever trigger the system, as well as help avoid lengthy downtime for critical systems while damaged equipment is being replaced and/or rebuilt.
3. Moving from Windows XP to Windows 7. As Windows XP passed its 10-year anniversary and continues toward its end of life, concerns about decreasing capabilities and imminent loss of support spurred the district’s move to move all Windows 7 capable computers to the new platform. Although there were some challenges with this move, particularly with regard to printing, as the result of the platform shift we now have more functionality with newer software and less dependence on the soon-to-be-dropped operating system.
4. Beginning the implementation of tablets as a delivery tool for educational opportunity. This capability became an option after the addition of the ubiquitous wireless networking this summer, and Special Education in particular has embraced the possibilities of this new tablet delivery option. Although many challenges still exist in areas such as the purchase, control, and delivery of applications, we expect this to be one of the primary growth trends in our district in the near future.
5. Starting the implementation of network-based digital signage, to increase communication opportunities with students, staff, and community. This capability will ultimately serve needs as varied as sharing outstanding student projects to the rapid dissemination of critical information in emergency situations.
6. Beginning the development of new multimedia capabilities, such as distribution of video throughout the district to enable students to see what is occurring in other buildings, participate in classes not offered in their home building, and provide expanded and easily accessible professional development opportunities for district staff.

Partnership Development

To increase effectiveness and reduce costs, the district continues to develop and expand a range of business, community, vendor, and other partnerships.

One long-standing partnership for the district encompasses both the business and community sectors: the Gahanna-Jefferson Education Foundation. Comprised primarily of community business leaders, the GJEF provides funding for expanded technology purchases. In the past, the GJEF fielded grant funding requests by district teachers to obtain specialty technology such as USB microscopes, sound systems for music programs, and the equipment to create mini-TV studios to enable students to create video morning announcements. A new paradigm for the 2010 – 2011 school year was the Fund-a-Need initiative, which

identified a goal shared by both the Curriculum and Technology departments - increasing access to interactive whiteboards - as their funding "target" for 2010 – 2011. This program was so successful it will be continued for the 2011 – 2012 year, this time targeting the expansion of electronic tablets (such as iPads) in our educational technology toolset.

Already noted in this report is the partnership with the City of Gahanna to deliver network services through almost the entirety of our district via fiber optics. Without this partnership, it would have been fiscally impossible to deliver this extraordinarily high level of service to our buildings. With this partnership, we are able to achieve the bandwidth, quality of service level, and other technical requirements necessary to expand our network services to address both current and future needs with a recurring cost that is a fraction of what it would have been using the older leased fiber paradigm.

It should be noted that our continuing partnerships with technology vendors such as Dell and Intel offer more than just reduced purchase costs or "free" technology, but in many cases also offer us free access to educational and technology specialists valuable in helping us develop and reach district educational goals to effectively and efficiently achieve the educational experience our students deserve.

Financial Information

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

Internal Controls

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

Budgetary Controls

The District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount is established at the fund level of expenditure. Additionally, the District maintains an encumbrance system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. In June 2011, the Board approved the fiscal year 2011 final amended appropriation measure for the District.

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

Risk Management

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

Independent Auditors

The basic financial statements of the District for the year ending June 30, 2011, were audited by Kennedy Cottrell Richards' CPA firm, whose opinion thereon is included at the beginning of the Financial Section of this report.

Certificate of Achievement Program

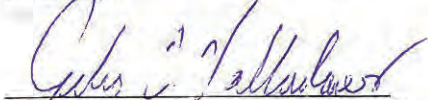
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the Gahanna-Jefferson City School District, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2010. The Certificate of Achievement is a prestigious award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

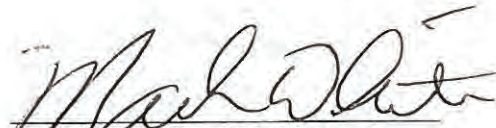
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA.

Acknowledgments

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

Sincerely,


Julio C. Valladares, Treasurer/CFO


Mark White, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gahanna-Jefferson
Public School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson Public School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson Public School District, Franklin County, Ohio, as of June 30, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Kennedy Cottrell Richards LLC

December 13, 2011

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

As management of the Gahanna-Jefferson Public School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our letter of transmittal, which immediately precedes this analysis.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$33.3 million (net assets). Of this amount, \$17.1 million (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets decreased by \$1.2 million, a 3.4% decrease in comparison with the prior fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$26.5 million, an decrease of \$13.6 million in comparison with the prior fiscal year. Of this amount, \$1.1 million is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned balance for the general fund was \$1,816,378, or 2.3% of total general fund expenditures.
- The District's total general obligation bonded debt decreased \$2.3 million, or 7%, in comparison with the prior fiscal year.

Overview of the Financial Statements

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
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The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
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The District maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and building fund, each of which are considered major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

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

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

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements begin on page 31 of this report.

Other information. The combining and individual fund statements and schedules referred to earlier in can be found on pages 71-98 of this report.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

Government-Wide Financial Analysis

The table below provides a summary of the District's net assets for 2011 and 2010:

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	As restated 2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$ 109,478,422	\$ 116,692,067	\$ 588,563	\$ 446,058	\$ 110,066,985	\$ 117,138,125
Capital Assets	46,154,480	35,362,871	53,794	67,581	46,208,274	35,430,452
Total Assets	155,632,902	152,054,938	642,357	513,639	156,275,259	152,568,577
Current Liabilities	76,813,790	71,232,664	314,311	357,029	77,128,101	71,589,693
Long-term Liabilities	45,673,598	46,332,427	132,763	119,264	45,806,361	46,451,691
Total Liabilities	122,487,388	117,565,091	447,074	476,293	122,934,462	118,041,384
Invested in Capital Assets net of related debt	12,814,693	11,471,830	53,794	67,581	12,868,487	11,539,411
Restricted	3,342,003	1,390,812	-	-	3,342,003	1,390,812
Unrestricted	16,988,818	21,627,205	141,489	(30,235)	17,130,307	21,596,970
Total Net Assets	\$ 33,145,514	\$ 34,489,847	\$ 195,283	\$ 37,346	\$ 33,340,797	\$ 34,527,193

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$33.3 million at the close of the most recent fiscal year.

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

An additional portion of the District's net assets (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$17.1 million) may be used to meet the District's ongoing obligations to citizens and creditors.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
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The table below shows the change in net assets for fiscal year 2011 and 2010:

	Change in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Program Revenues						
Charges for Services	\$ 1,895,195	\$ 1,985,971	\$ 1,819,245	\$ 1,793,066	\$ 3,714,440	\$ 3,779,037
Operating Grants	6,600,056	4,370,505	926,450	897,663	7,526,506	5,268,168
General Revenues						
Property Taxes	48,542,206	48,040,262	-	-	48,542,206	48,040,262
Grants and Entitlements	21,378,403	21,658,340	-	-	21,378,403	21,658,340
Payments in Lieu of Taxes	3,960,116	4,698,766	-	-	3,960,116	4,698,766
Investment Earnings	75,858	79,545	-	152	75,858	79,697
Miscellaneous	1,124,388	136,191	-	-	1,124,388	136,191
Total Revenues	<u>83,576,222</u>	<u>80,969,580</u>	<u>2,745,695</u>	<u>2,690,881</u>	<u>86,321,917</u>	<u>83,660,461</u>
Program Expenses						
Instructional	54,082,458	56,044,914	-	-	54,082,458	56,044,914
Support Services	26,081,391	27,123,822	-	-	26,081,391	27,123,822
Community Services	1,811,471	1,428,413	-	-	1,811,471	1,428,413
Extra Curricular Activities	1,275,667	1,253,227	-	-	1,275,667	1,253,227
Interest and Fiscal Charges	1,629,368	1,229,512	-	-	1,629,368	1,229,512
Food Service	-	-	2,351,236	2,215,210	2,351,236	2,215,210
Special Rotary	-	-	215,089	228,289	215,089	228,289
Community Recreation	-	-	61,633	78,812	61,633	78,812
Total Expenses	<u>84,880,355</u>	<u>87,079,888</u>	<u>2,627,958</u>	<u>2,522,311</u>	<u>87,508,313</u>	<u>89,602,199</u>
Excess (deficiency) before transfers	<u>(1,304,133)</u>	<u>(6,110,308)</u>	<u>117,737</u>	<u>168,570</u>	<u>(1,186,396)</u>	<u>(5,941,738)</u>
Transfers	<u>(40,200)</u>	<u>(37,000)</u>	<u>40,200</u>	<u>37,000</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(1,344,333)</u>	<u>(6,147,308)</u>	<u>157,937</u>	<u>205,570</u>	<u>(1,186,396)</u>	<u>(5,941,738)</u>
Net Assets at Beginning of Year	<u>34,489,847</u>	<u>40,637,155</u>	<u>37,346</u>	<u>(168,224)</u>	<u>34,527,193</u>	<u>40,468,931</u>
Net Assets at End of Year	<u>\$ 33,145,514</u>	<u>\$ 34,489,847</u>	<u>\$ 195,283</u>	<u>\$ 37,346</u>	<u>\$ 33,340,797</u>	<u>\$ 34,527,193</u>

Governmental Activities

Operating grants increased \$2.2 million in comparison with the prior fiscal year. This increase is the result of increase in stimulus grants for federal programs and an overall increase in state and federal grant revenues.

Total expenses decreased \$2.1 million, or 2.3 percent. For the most part, this decrease closely parallels the decrease in enrollment from fiscal year 2010 to fiscal year 2011.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

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.

	<u>Total Cost of 2011 Services</u>	<u>Total Cost of 2010 Services</u>	<u>Net Cost of 2011 Services</u>	<u>Net Cost of 2010 Services</u>
Governmental Activities				
Instructional	\$ 54,089,474	\$ 56,044,914	\$ 49,716,933	\$ 52,965,960
Support Services	26,074,375	27,123,822	24,202,084	25,252,311
Community Services	1,811,471	1,428,413	(128,349)	353,594
Extracurricular Activities	1,275,667	1,253,227	965,068	922,035
Miscellaneous	-	-	-	-
Interest and Fiscal Charges	1,629,368	1,229,512	1,629,368	1,229,512
Total	<u>\$ 84,880,355</u>	<u>\$ 87,079,888</u>	<u>\$ 76,385,104</u>	<u>\$ 80,723,412</u>

Business-type Activities

Operating grants and contributions increased \$28,787, or 3.2 percent. This increase is the result of an increase in federal funds through the free-and-reduced lunch program.

Expenses increased \$105,647, or 4.2 percent, which is a result of the increased spending for food service.

Financial Analysis of the Government's Funds

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

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

The District's governmental funds reported a combined ending fund balance of \$26.5 million, a decrease of \$13.6 million in comparison with the prior fiscal year. Of this amount, \$1.1 million is available for spending at the District's discretion (unassigned fund balance). The schedule below indicates the fund balances and the total change in fund balances as of June 30, 2011 for all major and nonmajor governmental funds.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

Funds:	Fund Balance	(Restated) Fund Balance	Increase/ (Decrease)
	<u>June 30, 2011</u>	<u>June 30, 2010</u>	
General	19,238,777	23,746,560	(4,507,783)
Debt Service	3,374,340	3,247,638	126,702
Building	4,223,780	13,142,196	(8,918,416)
Other Governmental	<u>(343,032)</u>	<u>590</u>	<u>(343,622)</u>
Total	<u><u>26,493,865</u></u>	<u><u>40,136,984</u></u>	<u><u>(13,643,119)</u></u>

General Fund

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1.8 million, while total fund balance was \$19.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 2.3 percent of total general fund expenditures, while total fund balance represents 24.2 percent of that same amount.

The fund balance of the District's general fund decreased by \$4.5 million during the current fiscal year. For the most part, this decrease represents the amount in which the District's student instruction and support services expenditures exceeded state and local funding.

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

<u>Revenues:</u>	2011	(Restated) 2010	Change
	<u></u>	<u></u>	<u></u>
Taxes	\$ 46,143,070	\$ 46,063,998	0.2%
Payments in Lieu of Taxes	5,381,328	3,404,999	58.0%
Tuition	165,944	220,438	-24.7%
Interest Earnings	57,886	127,130	-54.5%
Intergovernmental	20,989,418	21,358,371	-1.7%
Other Revenue	<u>1,600,463</u>	<u>1,375,286</u>	<u>16.4%</u>
Total Revenues	<u><u>\$ 74,338,109</u></u>	<u><u>\$ 72,550,222</u></u>	<u><u>2.5%</u></u>

Payment in Lieu of Taxes increased \$2.0 million due to the agreements producing more revenue from those areas in the process of building or maintaining infrastructure within the District.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

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

	2011	(Restated) 2010	Change
<u>Expenditures:</u>			
Instruction	\$ 51,290,687	\$ 53,018,866	-3.3%
Support Services	24,427,777	24,755,621	-1.3%
Community Services	-	394	100.0%
Extracurricular Activities	927,114	844,272	9.8%
Capital Outlay	2,350,330	362,830	547.8%
Debt Service:			
Principal Retirement	422,490	50,647	734.2%
Interest and Fiscal Charges	71,730	21,353	235.9%
Total Expenditures	<u>\$ 79,490,128</u>	<u>\$ 79,053,983</u>	<u>0.6%</u>

Total expenditures increased \$436,145, or .6 percent. The District maintained the level of service during the fiscal year from the prior fiscal year.

Debt Service Fund

The debt service fund has a total fund balance of \$3,374,340, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year was \$126,702. This is the amount by which property tax related receipts outstripped the current year debt service requirements.

Building Fund

The building fund has a total fund balance of \$4,223,780, an \$8.9 million decrease in comparison with the prior fiscal year. This decrease is the result of capital outlay for the construction of the new Learning Center addition to the high school.

General Fund Budgetary Highlights

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

The District's final estimated revenues and other financing sources budgeted amounts were decreased by \$268,666, compared to the original amounts. The District's final appropriations and other financing uses budgeted amounts were increased by \$400,003, compared to the original amounts.

The actual revenues and other financing sources exceeded final budgeted revenues and other financing sources estimate by \$44,325, or .1%, and final appropriations were \$3,689,537, or 4.3% more than actual expenditures and other financing uses.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

Debt Administration

At fiscal year-end, the District's general bonded debt totaled \$30.4 million, a decrease of \$2.3 million in comparison with the prior fiscal year. This decrease represents the amount in which current year principal reductions totaling \$2.5 million exceeded new debt issued, totaling \$171,073.

See note 10 to the basic financial statements for additional information on long-term obligations.

Capital Assets

At fiscal year-end, the District had \$46.2 million (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, and textbooks, an increase of \$10.8 million in comparison with the prior fiscal year. For the most part, this increase represents the amount in which current year additions of \$10.9 million exceeded current year depreciation of \$106,544.

See note 9 to the basic financial statements for additional information on Capital Assets.

Economic Conditions and Outlook

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

While Gahanna's commercial growth has slowed down, the community continues to have nationally competitive median home prices, excellent ranked schools while being the 3rd lowest taxing school district among the 16 Franklin county districts. Gahanna has also planned and designed a significant expansion of its fiber optic infrastructure throughout the Office, Commerce and Technology District, Gahanna's major business district. The installation of 4.25 miles of additional fiber optic lines in 2011 will provide and extend the direct access to Gahanna Net for area business and increase Gahanna's competitive advantage in attracting technology-based businesses in the future.

During fiscal 2010, Gahanna started the extension of the new Tech Center Drive and bridge project over I-270, which is projected to open by October 2011. This extension will improve access to existing 295 businesses and over 5,000 employees in the immediate area while positioning new land for development with the potential to double the number of employees in the area and spur additional investments along S. Hamilton Road and in the region.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2011
UNAUDITED

The District in September 2008 purchased 6.888 acres of land on the northwest corner of the High School for \$5.4 million. The District started construction on the new High School addition in May 2010 and it is scheduled to open by 2011-2012 school year. The education being taught in this building, Clark Hall, is going to be non-traditional with global education and 21st century curriculum in mind. Additionally, Clark Hall will have a private/public mixed facility use where the first floor of the three story school building will be leased to two other educational institutions, Columbus State Community College and Fairfield Eastland Career Technical Schools.

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

In January 2011, the District entered into a lease agreement with Columbus State Community College to grant the rights to occupy 10,958 square foot of the first floor for three years for a total amount of \$500,891. Lastly, the District has entered into an 85 years ground lease agreement with Wagenbrenner Development for the residual unused land to build two single story buildings for the use of retail space called "Clark Hall Commons."

Request for Information

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Julio Valladares, Treasurer, Gahanna-Jefferson Public School District, 160 S. Hamilton Road, Gahanna, Ohio 43230.

BASIC FINANCIAL STATEMENTS

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**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF NET ASSETS
AS OF JUNE 30, 2011**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Gahanna Community School
Assets				
Cash and Cash Equivalents	\$ 19,831,056	\$ 400,850	\$ 20,231,906	\$ 253,416
Restricted Cash and Cash Equivalents	1,021,342	-	1,021,342	-
Cash with Fiscal Agent	193,954	-	193,954	-
Receivables:				
Property Taxes - Current	79,336,962	-	79,336,962	-
Property Taxes - Delinquent Accounts	2,176,315	-	2,176,315	-
Accrued Interest	248,548	20,781	269,329	-
Payments in Lieu of Taxes	14,789	-	14,789	-
Due From Other Governments	5,428,977	-	5,428,977	-
Materials and Supplies Inventory	814,380	119,862	934,242	10,556
Prepaid Assets	-	47,070	47,070	-
Deferred Bond Costs	80,294	-	80,294	-
Capital Assets:	331,805	-	331,805	-
Non-depreciable Capital Assets	19,543,636	-	19,543,636	-
Depreciable Capital Assets	26,610,844	53,794	26,664,638	91,886
Total Assets	<u>155,632,902</u>	<u>642,357</u>	<u>156,275,259</u>	<u>355,858</u>
Liabilities				
Accounts Payable	2,289,343	10,962	2,300,305	51,130
Accrued Wages and Benefits Payable	7,450,287	172,041	7,622,328	-
Due to Other Governments	1,818,094	113,598	1,931,692	-
Retainage Payable	177,720	-	177,720	-
Accrued Interest Payable	134,709	-	134,709	-
Claims Payable	544,745	-	544,745	-
Unearned Revenue	64,398,892	17,710	64,416,602	16
Long-Term Liabilities				
Due within One Year	4,466,189	-	4,466,189	-
Due in More Than One Year	41,207,409	132,763	41,340,172	-
Total Liabilities	<u>122,487,388</u>	<u>447,074</u>	<u>122,934,462</u>	<u>51,146</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	12,814,693	53,794	12,868,487	91,886
Restricted for:				
Debt Service	1,712,448	-	1,712,448	-
Building Fund	843,543	-	843,543	-
Locally Funded Programs	126,662	-	126,662	6,741
Extracurricular Activities	86,832	-	86,832	-
State Funded Programs	108,493	-	108,493	1,200
Federally Funded Programs	464,025	-	464,025	4,997
Unrestricted	16,988,818	141,489	17,130,307	199,888
Total Net Assets	<u>\$ 33,145,514</u>	<u>\$ 195,283</u>	<u>\$ 33,340,797</u>	<u>\$ 304,712</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental Activities			
Instruction			
Regular Instruction	\$ 40,644,719	\$ 1,039,830	\$ 438,759
Special Instruction	12,526,806	135,746	2,706,720
Vocational Instruction	910,933	9,707	34,763
Support Services			
Pupils	3,728,573	-	108,238
Instructional Staff	4,156,156	115,538	1,112,037
General Administration	297,963	-	-
School Administration	6,914,370	146,581	125,674
Fiscal Services	1,415,383	-	7,228
Business	13,282	-	-
Maintenance	5,986,644	137,194	-
Pupil Transportation	2,948,860	-	-
Central	620,160	-	126,817
Community Services	1,811,471	-	1,939,820
Extra Curricular Activities	1,275,667	310,599	-
Interest and Fiscal Charges	1,629,368	-	-
Total Governmental Activities	<u>\$ 84,880,355</u>	<u>\$ 1,895,195</u>	<u>\$ 6,600,056</u>
Business-Type Activities			
Food Service	2,351,236	1,606,514	926,450
Special Rotary	215,089	140,480	-
Community Recreation	61,633	72,251	-
Total Business-Type Activities	<u>2,627,958</u>	<u>1,819,245</u>	<u>926,450</u>
Component Unit			
Gahanna Community School	<u>\$ 740,805</u>	<u>\$ 1,120</u>	<u>\$ 566,993</u>

General Revenues and Transfers
Property Taxes Levied for:
 General Purposes
 Debt Service
Unrestricted Grants and Entitlements
Payments in Lieu of Taxes
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year
Net Assets End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Gahanna Community School
\$ (39,166,130)	\$ -	\$ (39,166,130)	\$ -
(9,684,340)	-	(9,684,340)	-
(866,463)	-	(866,463)	-
(3,620,335)	-	(3,620,335)	-
(2,928,581)	-	(2,928,581)	-
(297,963)	-	(297,963)	-
(6,642,115)	-	(6,642,115)	-
(1,408,155)	-	(1,408,155)	-
(13,282)	-	(13,282)	-
(5,849,450)	-	(5,849,450)	-
(2,948,860)	-	(2,948,860)	-
(493,343)	-	(493,343)	-
128,349	-	128,349	-
(965,068)	-	(965,068)	-
(1,629,368)	-	(1,629,368)	-
<u>(76,385,104)</u>	<u>-</u>	<u>(76,385,104)</u>	<u>-</u>
-	181,728	181,728	-
-	(74,609)	(74,609)	-
-	10,618	10,618	-
<u>-</u>	<u>117,737</u>	<u>117,737</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(172,692)</u>
46,171,431	-	46,171,431	-
2,370,775	-	2,370,775	-
21,378,403	-	21,378,403	277,420
3,960,116	-	3,960,116	-
75,858	-	75,858	115
1,124,388	-	1,124,388	7,550
(40,200)	40,200	-	-
<u>75,040,771</u>	<u>40,200</u>	<u>75,080,971</u>	<u>285,085</u>
<u>(1,344,333)</u>	<u>157,937</u>	<u>(1,186,396)</u>	<u>112,393</u>
34,489,847	37,346	34,527,193	192,319
<u>\$ 33,145,514</u>	<u>\$ 195,283</u>	<u>\$ 33,340,797</u>	<u>\$ 304,712</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEEFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2011**

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 8,540,720	\$ 2,400,352	\$ 4,774,380	\$ 1,114,201	\$ 16,829,653
Restricted Cash and Cash Equivalents	1,021,342	-	-	-	1,021,342
Receivables:					
Property Taxes - Current	75,333,956	4,003,006	-	-	79,336,962
Property Taxes - Delinquent	2,065,594	110,721	-	-	2,176,315
Accounts	70,820	-	166,800	10,928	248,548
Accrued Interest	14,789	-	-	-	14,789
Payments in Lieu of Taxes	5,428,977	-	-	-	5,428,977
Due From Other Governments	-	-	-	814,380	814,380
Interfund Loans Receivable	579,832	-	-	-	579,832
Prepaid Assets	80,294	-	-	-	80,294
Total Assets	\$ 93,136,324	\$ 6,514,079	\$ 4,941,180	\$ 1,939,509	\$ 106,531,092
Liabilities:					
Accounts Payable	\$ 732,589	\$ -	\$ 539,680	\$ 533,801	\$ 1,806,070
Accrued Wages and Benefits Payable	7,166,611	-	-	283,676	7,450,287
Interfund Loans Payable	-	-	-	579,832	579,832
Due to Other Governments	1,747,242	-	-	70,852	1,818,094
Matured Leave Benefits Payable	568,777	-	-	-	568,777
Retainage Payable	-	-	177,720	-	177,720
Deferred Revenue	63,682,328	3,139,739	-	814,380	67,636,447
Total Liabilities	73,897,547	3,139,739	717,400	2,282,541	80,037,227
Fund Balances:					
Unspendable:					
Prepaid Assets	80,294	-	-	-	80,294
Restricted for:					
Debt Service	-	3,374,340	-	-	3,374,340
Building Fund	-	-	4,223,780	-	4,223,780
Locally Funded Programs	-	-	-	126,662	126,662
Extracurricular Activities	-	-	-	86,832	86,832
State Funded Programs	21,039	-	-	108,493	129,532
Federally Funded Programs	-	-	-	12,131	12,131
Assigned for:					
Public School Support	117,355	-	-	-	117,355
Encumbrances	2,660,032	-	-	-	2,660,032
Future Appropriations	14,543,679	-	-	-	14,543,679
Unassigned	1,816,378	-	-	(677,150)	1,139,228
Total Fund Balances	19,238,777	3,374,340	4,223,780	(343,032)	26,493,865
Total Liabilities and Fund Balances	\$ 93,136,324	\$ 6,514,079	\$ 4,941,180	\$ 1,939,509	\$ 106,531,092

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRAKLIN COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

Total Governmental Fund Balances	\$ 26,493,865
 <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.	46,154,480
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	
Property Taxes Receivable	2,176,315
Payments in Lieu of Taxes Receivable	919,946
Due From Other Governments	814,380
Interest Receivable	886
 An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	 1,493,367
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds and Notes Payable	(36,515,060)
Unamortized Deferred Bond Issuance Costs	331,805
Accrued Interest Payable	(134,709)
Capital Leases Payable	(2,174,673)
Compensated Absence Payable	(6,415,088)
	(44,907,725)
 Net Assets of Governmental Activities	 \$ 33,145,514

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
From Local Sources:					
Taxes	\$ 46,143,070	\$ 2,371,000	\$ -	\$ -	\$ 48,514,070
Payments in Lieu of Taxes	5,381,328	-	-	-	5,381,328
Tuition	165,944	-	-	-	165,944
Other Local	1,600,463	-	809,678	464,622	2,874,763
Intergovernmental - State	20,989,418	292,798	-	1,905,830	23,188,046
Intergovernmental - Federal	-	130,950	-	4,051,277	4,182,227
Investment Income	57,886	-	28,561	-	86,447
Total Revenues	74,338,109	2,794,748	838,239	6,421,729	84,392,825
Expenditures:					
Instruction:					
Regular	40,424,284	-	-	445,117	40,869,401
Special	9,964,090	-	-	2,738,132	12,702,222
Vocational	902,313	-	-	-	902,313
Support services:					
Pupils	3,725,324	-	-	103,280	3,828,604
Instructional Staff	3,068,805	-	-	1,178,846	4,247,651
General Administration	264,969	-	-	-	264,969
School Administration	6,786,480	-	-	122,206	6,908,686
Fiscal Services	1,396,372	13,901	-	7,761	1,418,034
Business	-	-	-	13,282	13,282
Maintenance	6,040,227	-	-	-	6,040,227
Pupil Transportation	2,688,397	-	-	-	2,688,397
Central	457,203	-	-	133,952	591,155
Community Services	-	-	-	1,833,816	1,833,816
Extracurricular Activities	927,114	-	-	259,062	1,186,176
Capital Outlay	2,350,330	-	9,756,655	8,065	12,115,050
Debt service:					
Principal Retirement	422,490	2,958,185	-	-	3,380,675
Interest and Fiscal Charges	71,730	1,369,106	-	-	1,440,836
Total Expenditures	79,490,128	4,341,192	9,756,655	6,843,519	100,431,494
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(5,152,019)	(1,546,444)	(8,918,416)	(421,790)	(16,038,669)
Other Financing Sources (Uses):					
Sale of Assets	85,420	-	-	-	85,420
Inception of Capital Lease	2,350,330	-	-	-	2,350,330
Transfers In	-	1,673,146	-	78,168	1,751,314
Transfers Out	(1,791,514)	-	-	-	(1,791,514)
Total Other Financing Sources (Uses)	644,236	1,673,146	-	78,168	2,395,550
Net Change in Fund Balances	(4,507,783)	126,702	(8,918,416)	(343,622)	(13,643,119)
Fund Balances - Beginning (Restated)	23,746,560	3,247,638	13,142,196	590	40,136,984
Fund Balances - Ending	\$ 19,238,777	\$ 3,374,340	\$ 4,223,780	\$ (343,032)	\$ 26,493,865

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (13,643,119)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation Expense	(2,695,046)
Capital Outlay	13,593,199
Net effect of capital assets sales and disposals	(106,544)

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

Property Taxes - Delinquent	28,136
Payment in Lieu of Taxes	(1,421,212)
Due From Other Governments	608,186
Interest	(10,589)

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

Bond and Note Principal Repayments	2,958,185
Capital Appreciation Bond Accretion and Amortization of Bond Issuance Costs	(195,436)
Inception of Capital Lease	(2,350,330)
Capital Lease Principal Repayments	422,490

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

Compensated Absences	9,244
Accrued Interest	6,904

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

1,451,599

Change in Net Assets of Governmental Activities \$ (1,344,333)

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Property Taxes	\$ 46,242,054	\$ 45,929,229	\$ 45,999,223	\$ 69,994
Payments in Lieu of Taxes	4,910,000	4,933,257	4,933,257	-
Intergovernmental - State	20,355,967	21,011,994	20,990,867	(21,127)
Interest on Investments	100,000	87,000	86,961	(39)
Tuition	222,900	152,600	152,314	(286)
Other local Sources	2,339,059	1,403,481	1,399,264	(4,217)
Total Revenues	<u>74,169,980</u>	<u>73,517,561</u>	<u>73,561,886</u>	<u>44,325</u>
Expenditures:				
Instruction:				
Regular	42,533,831	42,104,215	41,257,256	846,959
Special	11,865,162	11,547,348	10,469,966	1,077,382
Vocational	885,017	919,263	910,624	8,639
Support Services:				
Pupils	3,834,664	3,837,144	3,763,128	74,016
Instructional Staff	3,137,588	3,246,790	3,156,258	90,532
General Administration	684,667	544,662	540,123	4,539
School Administration	7,312,353	7,195,960	6,786,044	409,916
Fiscal Services	1,631,088	1,428,117	1,416,738	11,379
Maintenance	8,668,490	8,212,249	7,398,010	814,239
Pupil Transportatior	2,799,756	2,843,277	2,739,706	103,571
Central	1,086,724	1,000,018	943,587	56,431
Extracurricular Activities	968,038	1,108,243	926,751	181,492
Miscellaneous	280,670	10,296	-	10,296
Total Expenditures	<u>85,688,048</u>	<u>83,997,582</u>	<u>80,308,191</u>	<u>3,689,391</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,518,068)</u>	<u>(10,480,021)</u>	<u>(6,746,305)</u>	<u>3,733,716</u>
Other Financing Sources (Uses):				
Sale of Assets	5,000	85,420	85,420	-
Transfers Out	(190,000)	(1,791,514)	(1,791,514)	-
Advances In	100,000	403,333	403,333	-
Advances Out	(100,000)	(588,955)	(588,809)	146
Total Other Financing Sources (Uses)	<u>(185,000)</u>	<u>(1,891,716)</u>	<u>(1,891,570)</u>	<u>146</u>
Net Change in Fund Balance	(11,703,068)	(12,371,737)	(8,637,875)	3,733,862
Fund Balances at Beginning of Year	10,669,113	10,669,113	10,669,113	-
Prior Year Encumbrances Appropriated	4,025,837	4,025,837	4,025,837	-
Fund Balances at End of Year	<u>\$ 2,991,882</u>	<u>\$ 2,323,213</u>	<u>\$ 6,057,075</u>	<u>\$ 3,733,862</u>

See accompanying notes to the basic financial statements

**GAHANNA JEEFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF JUNE 30, 2011

	Business-Type Activities NonMajor Enterprise Funds	Governmental Activities - Internal Service Fund
Current Assets:		
Cash and Cash Equivalents	\$ 400,850	\$ 3,001,403
Cash with Fiscal Agent	-	193,954
Accounts Receivable	20,781	-
Due From Other Governments	119,862	-
Materials and Supplies Inventory	47,070	-
Total Current Assets	588,563	3,195,357
Noncurrent Assets:		
Depreciable Capital Assets	53,794	-
Total Assets	642,357	3,195,357
Current Liabilities:		
Accounts Payable	10,962	483,273
Claims Payable	-	544,745
Accrued Wages and Benefits Payable	172,041	-
Due To Other Governments	113,598	-
Unearned Revenue	17,710	673,972
Total Current Liabilities	314,311	1,701,990
Non-current Liabilities:		
Compensated Absences Payable	132,763	-
Total Non-current Liabilities	132,763	-
Total Liabilities	447,074	1,701,990
Net Assets:		
Invested in Capital Assets	53,794	-
Unrestricted	141,489	1,493,367
Total Net Assets	\$ 195,283	\$ 1,493,367

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities NonMajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
Operating Revenues:		
Charges for Services	\$ 1,605,942	\$ 8,834,088
Tuition and Fees	166,415	-
Other	46,888	685,344
Total Operating Revenues	<u>1,819,245</u>	<u>9,519,432</u>
Operating Expenses:		
Salaries and Wages	1,157,494	-
Fringe Benefits	322,017	-
Purchased Services	16,987	822,114
Materials and Supplies	1,072,128	-
Depreciation	15,179	-
Other	44,153	7,246,429
Total Operating Expenses	<u>2,627,958</u>	<u>8,068,543</u>
Operating Income (Loss)	<u>(808,713)</u>	<u>1,450,889</u>
Non-Operating Revenues:		
State and Federal Grants	926,450	-
Interest Revenue	-	710
Total Non-Operating Revenues	<u>926,450</u>	<u>710</u>
Income (Loss) Before Transfers	117,737	1,451,599
Transfer In	<u>40,200</u>	<u>-</u>
Change in Fund Net Assets	157,937	1,451,599
Net Assets Beginning of Year	37,346	41,768
Net Assets End of Year	<u>\$ 195,283</u>	<u>\$ 1,493,367</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Business-Type Activities NonMajor Enterprise Funds	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Cash Received from Charges for Services	\$ 1,606,262	\$ 8,766,051
Cash Received from Tuition and Fees	138,808	-
Cash Received from Other Operating Receipts	44,997	1,168,617
Cash Payments for Personal Services	(1,472,177)	-
Cash Payments for Contract Services	(30,513)	(822,114)
Cash Payments for Supplies and Materials	(972,917)	-
Cash Payments for Other Expenses	(40,998)	(7,278,544)
Net Cash Provided by (Used for) Operating Activities	<u>(726,538)</u>	<u>1,834,010</u>
Cash Flows from Noncapital Financing Activities:		
Transfers/Advances In (Out)	(159,800)	-
State and Federal Grants	698,732	-
Net Cash Provided by Noncapital Financing Activities	<u>538,932</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:		
Payments for Capital Acquisitions	(1,985)	-
Net Cash Used for Capital and Capital-Related Financing Activities	<u>(1,985)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest on Investments	-	710
Net Cash Provided by Investing Activities	<u>-</u>	<u>710</u>
Net Increase in Cash and Cash Equivalents	(189,591)	1,834,720
Cash and Cash Equivalents at Beginning of Year	590,441	1,360,637
Cash and Cash Equivalents at End of Year	<u>\$ 400,850</u>	<u>\$ 3,195,357</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities NonMajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Fund</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Operating Loss	\$ (808,713)	\$ 1,450,889
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	15,179	-
Commodities Expense related to Noncash Grant	107,856	-
Changes in Assets and Liabilities:		
Accounts Receivable	(8,291)	-
Supplies Inventory	(3,943)	-
Claims Payable	-	(32,075)
Accounts Payable	(14,133)	483,233
Accrued Wages and Benefits	7,098	-
Due to Other Governments	(14,203)	-
Compensated Absences	13,499	-
Unearned Activities	(20,887)	(68,037)
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (726,538)</u></u>	<u><u>\$ 1,834,010</u></u>

Schedule of Noncash Financing Activities:

The Food Service Fund received donated commodities valued at \$107,856.

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AS OF JUNE 30, 2011

	Private-Purpose Trust	Agency Fund
Assets:		
Cash and Cash Equivalents	\$ 106,711	\$ 404,323
Accounts Receivable	402	6,569
Materials and Supplies Inventory	-	9,677
Total Assets	107,113	420,569
Liabilities:		
Accounts Payable	137	29,131
Due to Others	-	391,438
Total Liabilities	137	\$ 420,569
Net Assets:	\$ 106,976	

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2011**

	Private-Purpose Trust
Additions:	
Gifts and Contributions	\$ 25,387
Other Local	15,778
Total Additions	41,165
 Deductions:	
Scholarships Awarded	3,000
Other Expenses	17,761
Total Deductions	20,761
Chang in Net Assets	20,404
 Net Assets at Beginning of Year	 86,572
Net Assets at End of Year	\$ 106,976

See accompanying notes to the basic financial statements.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT

The Gahanna Jefferson Public School District (the “District”) is located in Franklin County, Ohio. The District operates under a locally-elected, five member Board form of government and provides educational services as authorized or mandated by state and/or federal agencies. This Board controls the District’s thirteen instructional/support facilities staffed by 256 non-certificated employees, 527 certificated full-time teaching personnel, 35 administrators and 6 psychologists. The District provides services to 7,075 students and other community members.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes.

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

The School, which is part of the state’s education program, is nonsectarian in its programs, admission policies, employment practices and all other operations. The School operates under the direction of a self-appointed five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualification of teachers. The School contracts with its sponsor for 6 non-certified staff members and 8 certificated teaching personnel who provide services to 102 students. The School is expecting the number of students to grow to 125 during the 2011-2012 school year.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit can be found in Note 22.

JOINTLY GOVERNED ORGANIZATIONS

The Metropolitan Educational Council (MEC) is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MEC consists of one representative from each of the member school districts. Financial information can be obtained from Sue Ward, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, Ohio 43219. Payments to MEC during the fiscal year totaled to \$559,402.

The Eastland-Fairfield Career and Technical School (School) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district's elected boards, which possesses its own budgeting and taxing authority. The District is a member of this organization. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgemated Place, Groveport, Ohio 43125. Payments to the School during the fiscal year totaled \$16,706.

JOINT VENTURE

On February 21, 1996, a contract was entered into between the District and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility and fueling station. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In addition, during 2000 the City received a credit, in the amount of \$187,960 for the use and construction of the vehicle maintenance facility. This amount represents 4.699 acres of land that the City deeded to the District. The District's total cost for construction in 2000 was \$1,234,694, which is included in the District's governmental activities as a capital asset. The land was also recorded in the District's governmental activities in fiscal year 1996. Payments to the City during the fiscal year totaled \$4,851.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

PUBLIC ENTITY RISK POOLS

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

B. Government-wide and fund financial statements

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

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

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

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

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

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

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

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

Expenditures/Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as an expenditure with a like amount reported as intergovernmental revenue.

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

MAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

OTHER FUND TYPES

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, the activity for interfund services in the internal service fund are consolidated with the Governmental Activities on the government-wide financial statements.

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

D. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the basic financial statements. The District has a segregated bank account for the self insurance internal service fund held separate from the District's central bank account.

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

Under existing Ohio statutes, all investment earnings are assigned to the general fund except those specifically related to certain trust funds, unless the Board of Education specifically directs interest to be recorded in other funds. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$57,886 which includes \$27,117 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 with an initial maturity of more than three months are reported as investments.

E. Inventory and Prepaid Items

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

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

F. Capital Assets

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

All reported capital assets except land and construction in progress are depreciated. The District currently does not possess any infrastructure. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20-50 years
Furniture, fixtures and equipment	5-20 years
Vehicles	8 years
Instructional Supplies	6 years

G. Interfund Balances

Transfers between governmental and business-type activities on the entity-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

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

H. Compensated Absences

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

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

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term debt are reported in the government-wide financial statements as well as the proprietary fund financial statements.

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

J. Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

The District applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (, assigned and unassigned) fund balance is available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

K. Net Assets

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

L. Unamortized Bond Issuance Costs and Bond Premiums

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

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

M. Extraordinary and Special Items

Extraordinary items are transactions of events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the fiscal year, the District did not incur any transactions that would be classified as an extraordinary item or special item.

N. Estimates

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

O. Budgetary Calendar

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Balance Deficits

Fund balances at fiscal year-end included the following individual deficits:

<u>Fund Name</u>	<u>Deficit Balance</u>
Alternative School	\$ (4,072)
Other State Grants	(7,644)
IDEA-B	(482,025)
Title II-D Technology	(4,852)
Title III	(28)
Title I	(117,531)
Title II-A	(11,007)
Other Federal Grants	(49,991)

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

B. Non-compliance

Ohio Revised Code Section 5705.412 requires, in part, no school district shall adopt any appropriation measure, make any qualifying contract, or increase during any school year any wage or salary schedule unless there is attached thereto a certificate, signed by the treasurer and president of the board of education and the superintendent. The District did not issue the required certificate for a qualifying contract with Oakstone Academy. The total amount of the contract was \$687,500. The District's five-year forecast properly reflected this amount.

Ohio Revised Code Section 5705.10(H) provides, in part, money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund; however, Ohio Rev. Code section 3315.20 allows exceptions for school districts if the district meets certain conditions. On March 30, 2011, the Special Education Fund (516) had a negative fund balance of \$345,758, and the District did not meet all of the conditions to allow an exception. The District eliminated all negative fund balance by June 30, 2011.

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.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

A. Deposits with Financial Institutions

At fiscal year-end, the carrying amount of the District deposits was \$4,690,779 (excluding \$50 maintained in petty cash) and the bank balance was \$5,293,993. Of the District’s bank balance, \$3,349,324 was covered by federal deposit insurance while the remaining \$1,944,669 was exposed to custodial risk, as discussed below. Of the carrying amount, \$1,021,342 represents cash restricted for unspent funds received from the State for bus purchases and monies set-aside by the District for budget stabilization.

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

B. Investments

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

Investment Type	Fair Value	Percent of Total	Investment Maturities	
			Within 1 Year	1 to 2 Years
STAR Ohio	\$ 5,128,701	29.70%	\$ 5,128,701	\$ -
Money Market	6,119,336	35.44%	6,119,336	-
Commercial Paper	998,550	5.78%	998,550	-
Federal Home Loan Bank	5,020,820	29.08%	4,001,720	1,019,100
Total	<u>\$ 17,267,407</u>	<u>100%</u>	<u>\$ 16,248,307</u>	<u>\$ 1,019,100</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District’s investment policy limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District.

Credit Risk: The District does not have a formal investment policy limiting credit risk. At fiscal year-end, the District’s investments in Money Market Fund, Star Ohio, and Federal Home Loan Bank Notes are rated AAA, and Commercial Paper is rated A, by Standard & Poor’s.

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS – (Continued)

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

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

Investments (summarized above)	\$	17,267,407
Carrying Amount of Deposits		4,690,779
Petty Cash		50
Less: Fiduciary Cash and Investments		(511,034)
Total Cash and Cash Equivalents on Statement of Net Assets	\$	21,447,202

NOTE 5 - INTERFUND TRANSACTIONS

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

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 579,832

The primary purpose of the interfund balances is to cover costs in state and federal grant funds where funds were earned, but not received by June 30. These interfund balances will be repaid once the anticipated grant funds are received. All interfund balances expected to be repaid within one year. Interfund balances between governmental funds are eliminated for reporting in the statement of activities.

Transfers that occurred during the fiscal year were as follows:

Transfers In	Transfers Out General Fund	Total
Debt Service	\$ 1,673,146	\$ 1,673,146
Proprietary Fund	40,200	40,200
Stabilization Fund	78,168	78,168
Total Transfers In/Out	\$ 1,791,514	\$ 1,791,514

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2010, were levied after April 1, 2010 and are collected in 2010 with real property taxes.

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 6 - PROPERTY TAXES – (Continued)

The assessed values upon which fiscal year 2011 taxes were collected are:

	2011 First Half		2011 First Half	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 1,444,826,880	97.64%	\$ 1,450,460,900	98.02%
Public Utility Personal	29,890,240	2.01%	29,283,220	1.97%
Tangible Personal Property	1,546,340	0.10%	-	0.00%
Total	\$ 1,476,263,460	99.76%	\$ 1,479,744,120	100.00%
Tax rate per \$1,000 of assessed valuation	\$ 66.73		\$ 66.73	

NOTE 7 – PAYMENTS IN LIEU OF TAXES

The District has entered into several Compensation Agreements with other local government entities resulting in the receipt of payments in lieu of taxes. The Compensation Agreements relate to the use of property tax abatements to encourage economic development. The District receives payments in lieu of taxes for projects at Broad Street, Easton, Creekside and other locations. For these projects, the District is to receive payments equal to the amount that the District would otherwise have received as real property tax payments derived from the improvements, absent the passage of the agreement. The District receives the payments directly from the County which collects the amounts for the agreements.

The District also receives payments in lieu of taxes from the City of Columbus, who has declared improvements to certain parcels of real property for the Stelzer-Stygler Community Reinvestment Area 100 percent exempt from property taxes. The District is to receive 46 percent of real property tax payments derived from the improvements had the exemption not been declared for improvements before March 25, 2002. For projects completed after March 25, 2002, the District will receive payments of 58 percent of real property tax payments derived from the improvements had the exemption not been declared and 50 percent of tax collected for New Employee payroll attributable to employment at each such project.

The District also receives payments in lieu of taxes from the City of Gahanna, whereas the City of Gahanna has declared improvements to certain parcels of real property within the City 100 percent exempt from property taxes. The District is to receive 50 percent of the amount of income taxes levied and collected by the City on employee payroll for that year, not to exceed 100 percent of the real property taxes foregone by the District for that year.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 8 – LEASE AGREEMENTS

In August 2011, the District will open Clark Hall, a state-of-the-art learning facility that will serve as an extension to the nearby Lincoln High School. In addition, the District entered into the following agreements related to Clark Hall.

Eastland-Fairfield Career and Technical School (EFCTS) - In May 2010, the District and EFCTS entered into a build-out, use and operations agreement granting EFCTS the right to occupy and use approximately 8,403 square feet of space in the Clark Hall Building from the District. The term of the agreement is for fifteen years, commencing on the earlier of the date of substantial completion of additional improvements and delivery of the premises in such condition to EFCTS, or the date on which EFCTS first occupies and uses the premises for its normal educational operations.

As part of the consideration for the rights granted to EFCTS under this agreement, EFCTS agrees to contribute \$1,251,472 towards the cost of completion of the base improvements. This contribution will serve as base rent for the term of the agreement. In addition, EFCTS agreed to pay the cost of additional improvements to the premises as may be necessary (beyond the base improvements) to finish, equip, furnish, and otherwise prepare the premises for EFCTS's initial occupancy and use. As of fiscal year-end, the District has received \$642,878 from EFCTS for additional improvements made.

Columbus State Community College (CSCC) - In January 2011, the District and CSCC entered into a lease agreement allowing CSCC to lease approximately 10,958 square feet of space. The lease term is for three years once the building is first occupied by CSCC. The annual rent payments will be \$162,398, \$166,781 and \$171,712 for the three year period.

Education First Credit Union (Education First) - In June 2011, the District and Education First entered into a lease agreement allowing Education First to lease approximately 200 square feet of space. The lease term is for five years once the building is first occupied by Education First. The annual rent payments will be \$8,118, \$8,362, \$8,613, \$8,871 and \$9,137 for the five year period.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year was as follows:

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Nondepreciable Capital Assets				
Land	\$ 7,718,394	\$ -	\$ -	\$ 7,718,394
Construction in Progress	1,799,769	10,025,473		11,825,242
Total Nondepreciable Assets	<u>9,518,163</u>	<u>10,025,473</u>	<u>-</u>	<u>19,543,636</u>
Depreciable Capital Assets				
Land Improvements	6,689,363	16,579	-	6,705,942
Buildings and Improvements	48,619,665	3,176	-	48,622,841
Equipment and Fixtures	7,305,222	3,259,037	(704,370)	9,859,889
Vehicles	3,591,501	126,662	(76,500)	3,641,663
Textbooks	3,773,849	162,272	(2,908)	3,933,213
Total Depreciable Assets	<u>69,979,600</u>	<u>3,567,726</u>	<u>(783,778)</u>	<u>72,763,548</u>
Less accumulated depreciation				
Land Improvements	(4,913,617)	(240,643)	-	(5,154,260)
Buildings and Improvements	(29,909,553)	(1,175,679)	-	(31,085,232)
Equipment and Fixtures	(4,260,576)	(656,047)	646,123	(4,270,500)
Vehicles	(2,004,301)	(390,305)	28,688	(2,365,918)
Textbooks	(3,046,845)	(232,372)	2,423	(3,276,794)
Total accumulated depreciation	<u>(44,134,892)</u>	<u>(2,695,046)</u>	<u>677,234</u>	<u>(46,152,704)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>25,844,708</u>	<u>872,680</u>	<u>(106,544)</u>	<u>26,610,844</u>
Capital Assets, Net	<u>\$ 35,362,871</u>	<u>\$ 10,898,153</u>	<u>\$ (106,544)</u>	<u>\$ 46,154,480</u>

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 9 - CAPITAL ASSETS – (Continued)

Business-Type Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Depreciable Capital Assets				
Equipment and Fixtures	\$ 517,895	\$ 1,985	\$ (1,978)	\$ 517,902
Total Depreciable Assets	<u>517,895</u>	<u>1,985</u>	<u>(1,978)</u>	<u>517,902</u>
Less accumulated depreciation				
Equipment and Fixtures	(450,314)	(15,179)	1,385	(464,108)
Total accumulated depreciation	<u>(450,314)</u>	<u>(15,179)</u>	<u>1,385</u>	<u>(464,108)</u>
Capital Assets, Net	<u>\$ 67,581</u>	<u>\$ (13,194)</u>	<u>\$ (593)</u>	<u>\$ 53,794</u>

Depreciation was charged to governmental functions as follows:

	<u>Amount</u>
Instruction:	
Regular	\$ 1,661,720
Special	38,194
Vocational	9,927
Support Services:	
Pupil	3,523
Instructional Staff	66,417
General Administration	32,994
School Administration	79,380
Fiscal	847
Operations and Maintenance	55,791
Pupil Transportation	469,240
Central	59,037
Community Services	125,260
Extracurricular Activities	92,716
Total Depreciation Expense	<u>\$ 2,695,046</u>

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 10 - LONG-TERM OBLIGATIONS

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
<u>General Obligation Debt</u>					
1993 Refunding Bonds (CAB)	\$ 2,484,780	\$ 137,077	\$ (840,000)	\$ 1,781,857	\$ 775,392
2005 Refunding	8,595,000	-	(55,000)	8,540,000	60,000
2005 Refunding (CAB)	764,519	32,057	-	796,576	-
2007 Series Bus Purchase	1,000,000	-	(100,000)	900,000	115,000
2009 Refunding	5,245,000	-	(1,110,000)	4,135,000	1,185,000
2010A Learning Center Bonds	2,435,000	-	-	2,435,000	-
2010A Bond Discount	(34,897)	1,939	-	(32,958)	-
2010B Learning Center Bonds	6,500,000	-	-	6,500,000	-
2010C Learning Center Bonds	5,747,770	-	(383,185)	5,364,585	383,185
Total General Obligation Debt	<u>32,737,172</u>	<u>171,073</u>	<u>(2,488,185)</u>	<u>30,420,060</u>	<u>2,518,577</u>
2010 Certificates of Participation	6,565,000	-	(470,000)	6,095,000	480,000
Capital Lease	246,833	2,350,330	(422,490)	2,174,673	512,706
Sick Leave	6,400,312	595,931	(398,507)	6,597,736	568,777
Vacation Leave	383,110	90,738	(87,719)	386,129	386,129
Total Other Long-Term Debt	<u>13,595,255</u>	<u>3,036,999</u>	<u>(1,378,716)</u>	<u>15,253,538</u>	<u>1,947,612</u>
Total Governmental Activities	<u>46,332,427</u>	<u>3,208,072</u>	<u>(3,866,901)</u>	<u>45,673,598</u>	<u>4,466,189</u>
Business-Type Activities:					
<u>Compensated Absences</u>					
Sick Leave	119,264	26,253	(12,754)	132,763	-
Total Business-Type Activities	<u>119,264</u>	<u>26,253</u>	<u>(12,754)</u>	<u>132,763</u>	<u>-</u>

1993 Refunding Bonds

In fiscal year 1993, the District issued \$13,790,160 in general obligation bonds with a net interest cost of 6.40% for the purpose of financing construction of Blacklick Elementary. These bonds will mature on 12/01/2013. Principal payments on the general obligation bonds were made from the debt service fund in the amount of \$840,000 during the fiscal year. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. At fiscal year-end, the outstanding balance represents capital appreciation bonds (CAB) as the District has paid off the balance of serial bonds. The amount of interest added (accrued) to the principal value outstanding during the fiscal year was \$137,077.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 10 - LONG-TERM OBLIGATIONS – (Continued)

2005 Refunding Bonds

In fiscal year 2006, the District issued \$9,119,993 in general obligation bonds with a net interest cost of 4.15% for the purpose of completing a refund of 1999 Bonds for the purpose of reducing interest payments. Principal payments on the general obligation bonds were made from the debt service fund in the amount of \$55,000 during the fiscal year. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. The amount of defeased debt outstanding at fiscal year-end is \$0. At fiscal year-end, the outstanding balance of capital appreciation bonds (CAB) is \$799,211. The amount of interest added (accreted) to the principal value outstanding during the fiscal year was \$32,057.

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

2007 Bus Purchase Bonds

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

2009 Refunding Bonds

In fiscal year 2009, the District issued \$6,380,000 in general obligation bonds with a net interest cost of 3.00% for the purpose of completing a refund of 1999 Bonds for the purpose of rolling over notes issued in September 2008 that were used for the purchase of land for a new High School learning center. Principal payments on the general obligation bonds will be made from the debt service fund during the fiscal year in the amount of \$1,110,000. The source of revenue to retire the bonds was derived from voted property tax levies recorded in the debt service fund. As a result of the advance refunding, the District reduced its total debt service requirements by \$513,093, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt) of \$407,313.

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

2010 Learning Center Bonds

On February 16, 2010, the District also issued \$14,682,770 in Learning Center Bonds for the purpose of school facilities construction in the Ohio School Facilities Commission program. The Series 2010A Bonds were issued in the amount of \$2,435,000 with interest costs increasing each year from 3.65 to 4.15 percent. The bonds were issued at a discount in the amount of \$34,897. This discount will be amortized over the life of the bond, on a straight-line basis. The amount of amortized discount for 2011 was \$1,939. The bonds mature on December 1, 2028.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
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NOTE 10 - LONG-TERM OBLIGATIONS – (Continued)

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

The Series 2010C Bonds were issued in the amount of \$5,747,770 with interest costs 1.50 percent. This issuance was issued as Qualified School Construction Bonds. During the fiscal year, an amount of \$383,185 was paid off of the principal leaving an outstanding balance of \$5,364,585 at fiscal year-end. The bonds mature on February 16, 2025.

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

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

Fiscal Year	Principal	Interest	Total
2012	\$ 2,518,577	\$ 1,079,404	\$ 3,597,981
2013	2,572,218	1,047,403	3,619,621
2014	2,640,617	989,606	3,630,223
2015	1,558,185	858,017	2,416,202
2016	1,459,761	979,733	2,439,494
2017-2021	7,955,924	3,400,778	11,356,702
2022-2026	7,407,736	1,961,778	9,369,514
2027-2029	4,340,000	377,295	4,717,295
Total	<u>\$ 30,453,018</u>	<u>\$ 10,694,014</u>	<u>\$ 41,147,032</u>

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation use in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at fiscal year-end are voted debt margin of \$133,176,971 and an unvoted debt margin of \$1,479,744.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 10 - LONG-TERM OBLIGATIONS – (Continued)

2010 Certificates of Participation

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

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

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 480,000	\$ 250,070	\$ 730,070
2013	495,000	240,514	735,514
2014	515,000	227,508	742,508
2015	540,000	210,502	750,502
2016	565,000	189,565	754,565
2017-2021	3,360,000	497,567	3,857,567
2021-2022	140,000	3,878	143,878
Total	<u>\$ 6,095,000</u>	<u>\$ 1,619,604</u>	<u>\$ 7,714,604</u>

Compensated Absences

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 – CAPITAL LEASE OBLIGATIONS

The District has entered into several lease agreements as lessee for financing the acquisition of equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date. The assets acquired through these capital leases had a book value of \$2,537,330 (\$2,647,810 cost less \$110,480 accumulated depreciation) at June 30, 2011. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

Fiscal Year	Principal	Interest	Total
2012	512,706	65,958	578,664
2013	531,222	47,442	578,664
2014	550,538	28,126	578,664
2015	496,077	10,587	506,664
2016	84,130	314	84,444
Total	<u>\$ 2,174,673</u>	<u>\$ 152,427</u>	<u>\$ 2,327,100</u>

NOTE 12 – RISK MANAGEMENT

A. Comprehensive

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

General Liability Coverage

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

Employer’s Liability – Stop Gap Coverage

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

School Leaders Errors and Omissions Liability Coverage

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

Employee Benefits Liability Coverage

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 12 – RISK MANAGEMENT (Continued)

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

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

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

A claims liability of \$544,745 at fiscal year-end in the self-insurance internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District has purchased stop loss coverage for individual employee claim amounts exceeding \$100,000. Unpaid claims at year-end are recorded as current claims payable because they would be due within 60 days from the end of the fiscal year.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Claims Liability at July 1	\$ 576,820	\$ 459,844	\$ 380,161
Incurred Claims	6,190,279	5,934,361	4,701,881
Claims Paid	(6,222,354)	(5,817,385)	(4,622,198)
Claims Liability at June 30	<u>\$ 544,745</u>	<u>\$ 576,820</u>	<u>\$ 459,844</u>

C. Workers’ Compensation

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

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 13 – PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at www.ohsers.org under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009, were \$990,050, \$1,097,476 and \$1,236,936, respectively, 30 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010, and 2009. The District's unpaid contribution for fiscal year 2011 has been recorded as a liability in the appropriate funds.

B. State Teachers Retirement System

Plan Description - The District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 13 – PENSION PLANS - (Continued)

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

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

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

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 13 – PENSION PLANS - (Continued)

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

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers.

The School's required contributions for pension obligations for the fiscal years ended June 30, 2011, 2010, and 2009 were \$5,858,804, \$5,800,403, and \$6,286,224, respectively; 88 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. The District's unpaid contribution for fiscal year 2011 has been recorded as a liability in the appropriate funds.

C. Social Security System

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

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Medicare Part B Plan – The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation is .76 percent. The District's contributions for the years ended June 30, 2011, 2010 and 2009 were \$63,712, \$65,265, and \$69,814, respectively, 30 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS - (Continued)

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

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

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2011, the health care allocation is 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. State law provides that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contributions assigned to health care, including the surcharge, for the years ended June 30, 2011, 2010, and 2009 were \$241,369, \$169,185, and \$66,264, respectively, 30 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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

B. State Teachers Retirement System

Plan Description - The District contributes to the cost-sharing, multiple employer postemployment benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by writing 275 E. Broad St., Columbus, OH 43215-3371, by calling 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
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NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1% of covered payroll to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$450,677, \$446,185, and \$159,854, respectively; 88 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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

The District is also named as a plaintiff in a claim against the Columbus City School District involving the Win-Win Agreement. During the course of negotiations leading up to renewal of the agreement, a number of issues came to light. First, it was revealed that payments from Columbus to certain suburban districts, based on territory transferred to Columbus under the agreement, had never been made. Second, a review of annual billings provided by Columbus demonstrated instances in which the amounts billed to the suburban districts for payments due under the agreement had been calculated incorrectly, resulting in some suburban districts being over-billed for several years. As a result of these errors, the District is estimated to be owed \$684,204. However, these estimates are currently being reviewed and the results of the claim are not currently measurable.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 16 - 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 current fiscal year, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capitol Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance			
as of July 1, 2010	\$ (596,405)	\$ -	\$ 1,000,303
Current fiscal year set-aside requirement	1,057,141	1,057,141	-
Qualifying Disbursements	<u>(1,586,844)</u>	<u>(1,196,384)</u>	<u>-</u>
Total	<u>\$ (1,126,108)</u>	<u>\$ (139,243)</u>	<u>\$ 1,000,303</u>
Set-aside balance at June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,303</u>

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 17 - BUDGETARY BASIS OF ACCOUNTING- (Continued)

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget Basis	\$ (8,637,875)
Adjustments (net):	
Public Support Fund Change	8,675
Revenue Accruals	617,314
Expenditure Accruals	(2,401,868)
Encumbrances	3,371,642
Inception of Capital Lease	2,350,330
Interfund Transactions	183,999
GAAP Basis	<u>\$ (4,507,783)</u>

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District's Public School Support Fund, no longer meets the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, this fund is presented as part of the District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the general fund, without modification for the funds no longer meeting the special revenue criteria.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 18 – CONTRACTUAL COMMITMENTS

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

Contractor	Contract Amount	Amount Paid	Amount Remaining
Bricker and Eckler	\$ 77,215	\$ 19,963	\$ 57,252
Affordable Choice Electric	125,539	87,391	38,148
Bird Houk	336,976	299,461	37,515
Central Ohio Building	289,700	154,433	135,267
Quandel	442,687	395,804	46,883
Kirk Williams Service	481,569	201,178	280,391
Summit Construction	4,374,814	3,802,398	572,416
Celina Glass	422,267	407,380	14,887
S.A. Comunale Co.	168,709	145,296	23,413
Jess Howard Electric	1,292,134	1,105,614	186,520
Fox Mechanical	97,700	73,362	24,338
Greenscapes Landscape	167,720	154,004	13,716
Continental Office Environment	310,368	10,863	299,505
Crawford Mechanical	2,088,586	1,584,971	503,615
Total	<u>\$ 10,675,984</u>	<u>\$ 8,442,118</u>	<u>\$ 2,233,866</u>

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 19 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the District has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, and GASB Statement No. 59 “Financial Statements Omnibus”.

GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The implementation of GASB Statement No. 54 did have a significant effect on the financial statements of the District. See effect of implementation in Note 21.

GASB Statement No. 59 “Financial Statements Omnibus” updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of GASB Statement No. 59 did not have a significant effect on the financial statements of the District.

NOTE 20 – NEW PRONOUNCEMENTS

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

NOTE 21 – FUND RECLASSIFICATION

Due to the implementation of GASB 54, the District’s Public School Support Fund was reclassified as part of the General Fund. The fund was classified as an Other Governmental Fund in the prior year.

The effect of this reclassification is presented below:

	General Fund	Other Governmental Funds
Fund Balances, June 30, 2010	\$ 23,637,880	\$ 109,270
Fund Reclassification	108,680	(108,680)
Fund Balances, July 1, 2010	\$ 23,746,560	\$ 590

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 22 – GAHANNA COMMUNITY SCHOOL

A. DESCRIPTION OF THE SCHOOL

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

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

The School operates under the direction of a self-appointed five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualification of teachers. The School contracts with its sponsor for 6 non-certified staff members and 8 certificated teaching personnel who provide services to 102 students. The School is expecting the number of students to grow to 125 in fiscal year 2012.

The State Board of Education issued the School a certificate of commendation in recognition of exceptional effort and success in advancing to the designation of Effective on the local report card for the 2010-11 school year.

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

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided those pronouncements do not conflict with or contradict GASB pronouncements. The School has the option to also apply FASB Statements and Interpretations issued after November 30, 1989, subject to this same limitation. The School has elected not to apply these FASB Interpretations. The School has significant accounting policies are described below.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 22 – GAHANNA COMMUNITY SCHOOL - (Continued)

A. Basis of Presentation

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

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

B. Measurement Focus and Basis of Accounting

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

C. Basis of Accounting

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

D. Budgetary Process

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

E. Cash and Cash Equivalents

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 22 – GAHANNA COMMUNITY SCHOOL - (Continued)

F. Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The School has maintained a capitalization threshold of \$500. The School does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed when incurred.

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

G. Net Assets

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

H. Operating Revenues and Expenses

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

I. Intergovernmental Revenue

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

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 22 – GAHANNA COMMUNITY SCHOOL - (Continued)

J. Estimates

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

C. DEPOSITS

Custodial credit risk is the risk that, in the event of bank failure, the School’s deposits may not be returned. The school does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of the School’s deposits was \$253,416 and the bank balance was \$271,329. Only \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC), leaving \$21,329 uncollateralized. There are no significant statutory restrictions regarding the deposit and investments of funds by the School.

D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Cost:				
Equipment	\$ 123,568	\$ 31,824	\$ -	\$ 155,392
Total	<u>123,568</u>	<u>31,824</u>	<u>-</u>	<u>155,392</u>
Accumulated Depreciation:				
Equipment	(22,396)	(41,110)	-	(63,506)
Total	<u>(22,396)</u>	<u>(41,110)</u>	<u>-</u>	<u>(63,506)</u>
Capital Assets, net	<u>\$ 101,172</u>	<u>\$ (9,286)</u>	<u>\$ -</u>	<u>\$ 91,886</u>

E. RISK MANAGEMENT

Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School was covered under the Sponsors policy.

F. PURCHASED SERVICES

For the fiscal year ended June 30, 2011, purchased services expenses were as follows:

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 22 – GAHANNA COMMUNITY SCHOOL - (Continued)

Instructional Services	548,183
Traveling and Meeting Expenses	8,715
Rentals	11,550
Communication Services	22,549
Fiscal	15,240
Utilities	5,760
Other Purchased Services	1,175
Total Purchased Services	<u>613,172</u>

G. CONTINGENCIES

A. Grants

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

B. State Funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state funding is calculated. The conclusions of this review could result in state funding being adjusted. The School does not anticipate any material adjustment for fiscal year 2011 as a result of such review.

H. SPONSORSHIP

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

In fiscal year 2011, payments made by the School to the Sponsor totaled \$490,924, which are reported in purchased services. This represents contract service payments for teaching, utilities, materials and supplies, and other related services provided by the Sponsor.

I. OPERATING LEASE

At the end of fiscal year 2011, the school moved its location back to the main high school building and returned the leased modular units. The school paid \$11,550 in lease payments in fiscal year 2011 and is obligated to pay the final lease payment of \$1,050 in fiscal year 2012.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Debt Service Fund

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

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

Non-major Governmental Funds

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

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

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

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

District Managed Activities - A fund used to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes the athletic programs, the drama program, etc.

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

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

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

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

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

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

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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

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

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

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

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

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

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

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Other Local Grants	Libray Automation	District Managed Activities
Assets:			
Cash and Cash Equivalents	\$ 144,435	\$ -	\$ 134,294
Receivables:			
Accounts	2,168	-	8,760
Due From Other Governments	-	-	-
Total Assets	\$ 146,603	\$ -	\$ 143,054
Liabilities:			
Accounts Payable	\$ 19,941	\$ -	\$ 21,073
Accrued Wages and Benefits Payable	-	-	-
Interfund Loans Payable	-	-	35,028
Due to Other Governments	-	-	121
Deferred Revenue	-	-	-
Total Liabilites	19,941	-	56,222
Fund Balances:			
Restricted for:			
Locally Funded Programs	126,662	-	-
Extracurricular Activities	-	-	86,832
State Funded Programs	-	-	-
Federally Funded Programs	-	-	-
Unassigned	-	-	-
Total Fund Balances	126,662	-	86,832
Total Liabilities and Fund Balances	\$ 146,603	\$ -	\$ 143,054

See accompanying notes to the basic financial statements.

Auxiliary Services	Management Information Systems	Data Communication	Alternative Schools	Other State Grants	IDEA-B
\$ 582,338	\$ -	\$ -	\$ 783	\$ -	\$ 146,010
-	-	-	-	-	-
-	-	-	4,032	-	559,053
<u>\$ 582,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,815</u>	<u>\$ -</u>	<u>\$ 705,063</u>
\$ 365,341	\$ -	\$ -	\$ 715	\$ -	\$ 81,830
88,532	-	-	-	4,698	99,486
-	-	-	4,032	212	413,607
19,972	-	-	108	2,734	33,112
-	-	-	4,032	-	559,053
<u>473,845</u>	<u>-</u>	<u>-</u>	<u>8,887</u>	<u>7,644</u>	<u>1,187,088</u>
-	-	-	-	-	-
-	-	-	-	-	-
108,493	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(4,072)	(7,644)	(482,025)
<u>108,493</u>	<u>-</u>	<u>-</u>	<u>(4,072)</u>	<u>(7,644)</u>	<u>(482,025)</u>
<u>\$ 582,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,815</u>	<u>\$ -</u>	<u>\$ 705,063</u>

See accompanying notes to the basic financial statements.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011
(CONTINUED)

	Education Stabilization	Title II-D Technology	Title III
Assets:			
Cash and Cash Equivalents	\$ 12,783	\$ 622	\$ -
Receivables:			
Accounts	-	-	-
Due From Other Governments	-	4,958	103
Total Assets	\$ 12,783	\$ 5,580	\$ 103
Liabilities:			
Accounts Payable	\$ -	\$ 516	\$ -
Accrued Wages and Benefits Payable	521	-	-
Interfund Loans Payable	-	4,958	28
Due to Other Governments	131	-	-
Deferred Revenue	-	4,958	103
Total Liabilities	652	10,432	131
Fund Balances:			
Restricted for:			
Locally Funded Programs	-	-	-
Extracurricular Activities	-	-	-
State Funded Programs	-	-	-
Federally Funded Programs	12,131	-	-
Unassigned	-	(4,852)	(28)
Total Fund Balances	12,131	(4,852)	(28)
Total Liabilities and Fund Balances	\$ 12,783	\$ 5,580	\$ 103

See accompanying notes to the basic financial statements.

Title I	Drug Free Schools	Title II-A	Other Federal Grants	Total Nonmajor Governmental Funds
\$ 36,314	\$ -	\$ 4,342	\$ 52,280	\$ 1,114,201
-	-	-	-	10,928
150,951	-	14,014	81,269	814,380
<u>\$ 187,265</u>	<u>\$ -</u>	<u>\$ 18,356</u>	<u>\$ 133,549</u>	<u>\$ 1,939,509</u>
\$ 15,249	\$ -	\$ 1,814	\$ 27,322	\$ 533,801
84,005	-	6,434	-	283,676
41,094	-	5,959	74,914	579,832
13,497	-	1,142	35	70,852
150,951	-	14,014	81,269	814,380
<u>304,796</u>	<u>-</u>	<u>29,363</u>	<u>183,540</u>	<u>2,282,541</u>
-	-	-	-	126,662
-	-	-	-	86,832
-	-	-	-	108,493
-	-	-	-	12,131
(117,531)	-	(11,007)	(49,991)	(677,150)
<u>(117,531)</u>	<u>-</u>	<u>(11,007)</u>	<u>(49,991)</u>	<u>(343,032)</u>
<u>\$ 187,265</u>	<u>\$ -</u>	<u>\$ 18,356</u>	<u>\$ 133,549</u>	<u>\$ 1,939,509</u>

See accompanying notes to the basic financial statements.

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Other Local Grants	Libray Automation	District Managed Activities
Revenues:			
From Local Sources:			
Other Local	\$ 153,940	\$ -	\$ 310,599
Intergovernmental - State	-	-	-
Intergovernmental - Federal	-	-	-
Total Revenues	<u>153,940</u>	<u>-</u>	<u>310,599</u>
Expenditures:			
Instruction:			
Regular	24,962	-	-
Special	1,901	-	-
Support services:			
Pupils	-	-	-
Instructional Staff	75,747	-	-
School Administration	-	-	-
Fiscal Services	-	-	-
Business	-	-	13,282
Central	-	-	-
Community Services	-	3,206	-
Extracurricular Activities	-	-	259,062
Capital Outlay	-	-	-
Total Expenditures	<u>102,610</u>	<u>3,206</u>	<u>272,344</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,330	(3,206)	38,255
Other Financing Sources (Uses):			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	51,330	(3,206)	38,255
Fund Balances - Beginning (Restated)	75,332	3,206	48,577
Fund Balances - Ending	<u>\$ 126,662</u>	<u>\$ -</u>	<u>\$ 86,832</u>

See accompanying notes to the basic financial statements.

<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Data Communication</u>	<u>Alternative Schools</u>	<u>Other State Grants</u>	<u>IDEA-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,783,208	5,000	25,025	36,705	55,892	-
-	-	-	-	-	2,349,780
<u>1,783,208</u>	<u>5,000</u>	<u>25,025</u>	<u>36,705</u>	<u>55,892</u>	<u>2,349,780</u>
-	-	-	21,521	-	24,690
-	-	-	-	-	1,416,802
-	-	-	14,769	25,523	62,988
-	-	-	-	24,718	1,016,068
-	-	-	-	-	108,328
-	-	-	-	-	-
-	-	-	-	-	-
-	5,000	25,025	-	-	-
1,674,715	-	-	400	-	122,084
-	-	-	-	-	-
-	-	-	-	-	8,065
<u>1,674,715</u>	<u>5,000</u>	<u>25,025</u>	<u>36,690</u>	<u>50,241</u>	<u>2,759,025</u>
108,493	-	-	15	5,651	(409,245)
-	-	-	-	-	-
-	-	-	-	-	-
<u>108,493</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>5,651</u>	<u>(409,245)</u>
-	-	-	(4,087)	(13,295)	(72,780)
<u>\$ 108,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,072)</u>	<u>\$ (7,644)</u>	<u>\$ (482,025)</u>

See accompanying notes to the basic financial statements.

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011
(CONTINUED)

	<u>Education Stabilization</u>	<u>Title II-D Technology</u>	<u>Title III</u>
Revenues:			
From Local Sources:			
Other Local	\$ -	\$ -	\$ -
Intergovernmental - State	-	-	-
Intergovernmental - Federal	888,757	1,647	22,010
Total Revenues	<u>888,757</u>	<u>1,647</u>	<u>22,010</u>
Expenditures:			
Instruction:			
Regular	174,988	-	-
Special	667,593	-	-
Support services:			
Pupils	-	-	-
Instructional Staff	-	5,435	22,099
School Administration	-	-	-
Fiscal Services	7,761	-	-
Business	-	-	-
Central	103,927	-	-
Community Services	-	1,919	-
Extracurricular Activities	-	-	-
Capital Outlay	-	-	-
Total Expenditures	<u>954,269</u>	<u>7,354</u>	<u>22,099</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,512)	(5,707)	(89)
Other financing sources (uses):			
Transfers In	78,168	-	-
Total Other Financing Sources (Uses)	<u>78,168</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	12,656	(5,707)	(89)
Fund Balance Beginning of Year	(525)	855	61
Fund Balance End of Year	<u>\$ 12,131</u>	<u>\$ (4,852)</u>	<u>\$ (28)</u>

See accompanying notes to the basic financial statements.

Title I	Drug Free Schools	Title II-A	Other Federal Grants	Nonmajor Governmental Funds
\$ -	\$ 83	\$ -	\$ -	\$ 464,622
-	-	-	-	1,905,830
591,908	1,955	83,278	111,942	4,051,277
<u>591,908</u>	<u>2,038</u>	<u>83,278</u>	<u>111,942</u>	<u>6,421,729</u>
-	-	50,901	148,055	445,117
651,836	-	-	-	2,738,132
-	-	-	-	103,280
-	160	34,619	-	1,178,846
-	-	-	13,878	122,206
-	-	-	-	7,761
-	-	-	-	13,282
-	-	-	-	133,952
18,690	-	12,802	-	1,833,816
-	-	-	-	259,062
-	-	-	-	8,065
<u>670,526</u>	<u>160</u>	<u>98,322</u>	<u>161,933</u>	<u>6,843,519</u>
(78,618)	1,878	(15,044)	(49,991)	(421,790)
-	-	-	-	78,168
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,168</u>
(78,618)	1,878	(15,044)	(49,991)	(343,622)
(38,913)	(1,878)	4,037	-	590
<u>\$ (117,531)</u>	<u>\$ -</u>	<u>\$ (11,007)</u>	<u>\$ (49,991)</u>	<u>\$ (343,032)</u>

See accompanying notes to the basic financial statements.

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Debt Service Fund			
Total Revenues and Other Sources	\$ 4,594,087	\$ 4,491,467	\$ (102,620)
Total Expenditures and Other Uses	4,347,292	4,341,192	6,100
Net Change in Fund Balance	246,795	150,275	(96,520)
Fund Balance - July 1	2,250,077	2,250,077	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ 2,496,872</u>	<u>\$ 2,400,352</u>	<u>\$ (96,520)</u>
Building Fund			
Total Revenues and Other Sources	\$ 1,934,504	\$ 1,934,418	\$ (86)
Total Expenditures and Other Uses	13,878,098	13,545,205	332,893
Net Change in Fund Balance	(11,943,594)	(11,610,787)	332,807
Fund Balance - July 1	13,842,381	13,842,381	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ 1,898,787</u>	<u>\$ 2,231,594</u>	<u>\$ 332,807</u>
Public School Support			
Total Revenues and Other Sources	\$ 158,888	\$ 157,807	\$ (1,081)
Total Expenditures and Other Uses	169,127	167,474	1,653
Net Change in Fund Balance	(10,239)	(9,667)	572
Fund Balance - July 1	101,609	101,609	-
Prior Year Encumbrances Appropriated	14,306	14,306	-
Fund Balance - June 30	<u>\$ 105,676</u>	<u>\$ 106,248</u>	<u>\$ 572</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Other Local Grants			
Total Revenues and Other Sources	\$ 151,772	\$ 151,772	\$ -
Total Expenditures and Other Uses	210,203	142,206	67,997
Net Change in Fund Balance	(58,431)	9,566	67,997
Fund Balance - July 1	69,786	69,786	-
Prior Year Encumbrances Appropriated	30,893	30,893	-
Fund Balance - June 30	<u>\$ 42,248</u>	<u>\$ 110,245</u>	<u>\$ 67,997</u>
Library Automation			
Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	3,206	3,206	-
Net Change in Fund Balance	(3,206)	(3,206)	-
Fund Balance - July 1	3,206	3,206	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District Managed Activities			
Total Revenues and Other Sources	\$ 345,900	\$ 340,172	\$ (5,728)
Total Expenditures and Other Uses	335,924	329,957	5,967
Net Change in Fund Balance	9,976	10,215	239
Fund Balance - July 1	86,618	86,618	-
Prior Year Encumbrances Appropriated	12,485	12,485	-
Fund Balance - June 30	<u>\$ 109,079</u>	<u>\$ 109,318</u>	<u>\$ 239</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Auxiliary Services			
Total Revenues and Other Sources	\$ 1,441,889	\$ 1,441,889	\$ -
Total Expenditures and Other Uses	1,924,275	1,811,560	112,715
Net Change in Fund Balance	(482,386)	(369,671)	112,715
Fund Balance - July 1	391,114	391,114	-
Prior Year Encumbrances Appropriated	91,272	91,272	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 112,715</u>	<u>\$ 112,715</u>
Management Information Systems			
Total Revenues and Other Sources	\$ 12,500	\$ 12,500	\$ -
Total Expenditures and Other Uses	12,500	12,500	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Data Communication			
Total Revenues and Other Sources	\$ 25,025	\$ 25,025	\$ -
Total Expenditures and Other Uses	25,025	25,025	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Alternative Schools			
Total Revenues and Other Sources	\$ 40,737	\$ 40,737	\$ -
Total Expenditures and Other Uses	40,737	40,737	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other State Grants			
Total Revenues and Other Sources	\$ 56,104	\$ 56,104	\$ -
Total Expenditures and Other Uses	60,210	60,210	-
Net Change in Fund Balance	(4,106)	(4,106)	-
Fund Balance - July 1	4,106	4,106	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IDEA B			
Total Revenues and Other Sources	\$ 2,763,387	\$ 2,763,387	\$ -
Total Expenditures and Other Uses	3,012,344	3,012,344	-
Net Change in Fund Balance	(248,957)	(248,957)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	248,957	248,957	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Education Stabilization			
Total Revenues and Other Sources	\$ 966,925	\$ 966,925	\$ -
Total Expenditures and Other Uses	976,824	966,534	10,290
Net Change in Fund Balance	(9,899)	391	10,290
Fund Balance - July 1	9,899	9,899	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ 10,290</u>	<u>\$ 10,290</u>
Title II-D Technology			
Total Revenues and Other Sources	\$ 6,605	\$ 6,605	\$ -
Total Expenditures and Other Uses	7,721	7,721	-
Net Change in Fund Balance	(1,116)	(1,116)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	1,116	1,116	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title III			
Total Revenues and Other Sources	\$ 21,096	\$ 21,096	\$ -
Total Expenditures and Other Uses	25,793	25,793	-
Net Change in Fund Balance	(4,697)	(4,697)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	4,697	4,697	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Title I			
Total Revenues and Other Sources	\$ 628,363	\$ 628,363	\$ -
Total Expenditures and Other Uses	689,476	689,476	-
Net Change in Fund Balance	(61,113)	(61,113)	-
Fund Balance - July 1	34,407	34,407	-
Prior Year Encumbrances Appropriated	<u>26,706</u>	<u>26,706</u>	-
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Drug Free Schools			
Total Revenues and Other Sources	\$ 2,038	\$ 2,038	\$ -
Total Expenditures and Other Uses	3,326	3,326	-
Net Change in Fund Balance	(1,288)	(1,288)	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	<u>1,288</u>	<u>1,288</u>	-
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title II-A			
Total Revenues and Other Sources	\$ 86,697	\$ 86,697	\$ -
Total Expenditures and Other Uses	101,970	101,970	-
Net Change in Fund Balance	(15,273)	(15,273)	-
Fund Balance - July 1	10,926	10,926	-
Prior Year Encumbrances Appropriated	<u>4,347</u>	<u>4,347</u>	-
Fund Balance - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budget	Actual	Variance Over/(Under)
Other Federal Grants			
Total Revenues and Other Sources	\$ 186,856	\$ 186,856	\$ -
Total Expenditures and Other Uses	186,856	186,856	-
Net Change in Fund Balance	-	-	-
Fund Balance - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance - June 30	\$ -	\$ -	\$ -

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

COMBINING STATEMENTS ENTERPRISE FUNDS

Enterprise Funds

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

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

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

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

**GAHANNA JEEFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
AS OF JUNE 30, 2011

	Business-Type-Activities - Enterprise Funds			
	Food Service	Special Rotary	Community Recreation	Total
Current Assets:				
Cash and Cash Equivalents	\$ 260,781	\$ 105,007	\$ 35,062	\$ 400,850
Accounts Receivable	511	12,715	7,555	20,781
Due From Other Governments	119,862	-	-	119,862
Materials and Supplies Inventory	47,070	-	-	47,070
Total Current Assets	428,224	117,722	42,617	588,563
Noncurrent Assets:				
Depreciable Capital Assets	49,696	-	4,098	53,794
Total Assets	\$ 477,920	\$ 117,722	\$ 46,715	\$ 642,357
Current Liabilities:				
Accounts Payable	\$ 4,600	\$ 2,362	\$ 4,000	\$ 10,962
Accrued Wages and Benefits Payable	172,041	-	-	172,041
Due To Other Governments	113,334	264	-	113,598
Unearned Revenue	-	17,710	-	17,710
Total Current Liabilities	289,975	20,336	4,000	314,311
Non-current Liabilities:				
Compensated Absences Payable	132,763	-	-	132,763
Total Non-current Liabilities	132,763	-	-	132,763
Total Liabilities	422,738	20,336	4,000	447,074
Net Assets:				
Invested in Capital Assets	49,696	-	4,098	53,794
Unrestricted	5,486	97,386	38,617	141,489
Total Net Assets	\$ 55,182	\$ 97,386	\$ 42,715	\$ 195,283

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS - NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Business-Type-Activities - Enterprise Funds</u>			
	<u>Food Service</u>	<u>Special Rotary</u>	<u>Community Recreation</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 1,605,942	\$ -	\$ -	\$ 1,605,942
Tuition and Fees	-	127,812	38,603	166,415
Other	572	12,668	33,648	46,888
Total Operating Revenues	<u>1,606,514</u>	<u>140,480</u>	<u>72,251</u>	<u>1,819,245</u>
Operating Expenses:				
Salaries and Wages	956,873	199,879	742	1,157,494
Fringe Benefits	321,639	264	114	322,017
Purchased Services	5,216	11,771	-	16,987
Materials and Supplies	1,052,675	2,975	16,478	1,072,128
Depreciation	13,898	-	1,281	15,179
Other	935	200	43,018	44,153
Total Operating Expenses	<u>2,351,236</u>	<u>215,089</u>	<u>61,633</u>	<u>2,627,958</u>
Operating Income (Loss)	<u>(744,722)</u>	<u>(74,609)</u>	<u>10,618</u>	<u>(808,713)</u>
Non-Operating Revenues:				
State and Federal Grants	926,450	-	-	926,450
Transfer In	-	40,200	-	40,200
Total Non-Operating Revenues	<u>926,450</u>	<u>40,200</u>	<u>-</u>	<u>966,650</u>
Change in Net Assets	181,728	(34,409)	10,618	157,937
Net Assets Beginning of Year	<u>(126,546)</u>	<u>131,795</u>	<u>32,097</u>	<u>37,346</u>
Net Assets End of Year	<u>\$ 55,182</u>	<u>\$ 97,386</u>	<u>\$ 42,715</u>	<u>\$ 195,283</u>

See accompanying notes to the basic financial statements.

**GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-Type-Activities - Enterprise Funds			
	Food Service	Special Rotary	Community Recreation	Total
Cash Flows from Operating Activities:				
Cash Received from Charges for Services	\$ 1,606,262	\$ -	\$ -	\$ 1,606,262
Cash Received from Tuition and Fees	-	100,340	38,468	138,808
Cash Received from Other Operating Receipts	464	10,985	33,548	44,997
Cash Payments for Personal Services	(1,272,191)	(199,130)	(856)	(1,472,177)
Cash Payments for Contract Services	(5,666)	(11,887)	(12,960)	(30,513)
Cash Payments for Supplies and Materials	(948,303)	(8,454)	(16,160)	(972,917)
Cash Payments for Other Expenses	-	-	(40,998)	(40,998)
Net Cash Provided by (Used for) Operating Activities	(619,434)	(108,146)	1,042	(726,538)
Cash Flows from Noncapital Financing Activities:				
Transfers/Advances In (Out)	(200,000)	40,200	-	(159,800)
State and Federal Grants	698,732	-	-	698,732
Net Cash Provided by Noncapital Financing Activities	498,732	40,200	-	538,932
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	(1,985)	-	-	(1,985)
Net Cash Used for Capital and Capital Related Financing Activities	(1,985)	-	-	(1,985)
Net Increase (Decrease) in Cash and Cash Equivalents	(122,687)	(67,946)	1,042	(189,591)
Cash and Cash Equivalents at Beginning of Year	383,468	172,953	34,020	590,441
Cash and Cash Equivalents at End of Year	<u>\$ 260,781</u>	<u>\$ 105,007</u>	<u>\$ 35,062</u>	<u>\$ 400,850</u>
Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:				
Operating Income (Loss)	\$ (744,722)	\$ (74,609)	\$ 10,618	\$ (808,713)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used for Operating Activities:				
Depreciation	13,898	-	1,281	15,179
Commodities Expense related to Noncash Grant	107,856	-	-	107,856
Changes in Assets and Liabilities:				
Accounts Receivable	212	(8,268)	(235)	(8,291)
Supplies Inventory	(3,943)	-	-	(3,943)
Accounts Payable	944	(4,455)	(10,622)	(14,133)
Accrued Wages and Benefits	7,098	-	-	7,098
Due to Other Governments	(14,276)	73	-	(14,203)
Compensated Absences	13,499	-	-	13,499
Unearned Activities	-	(20,887)	-	(20,887)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (619,434)</u>	<u>\$ (108,146)</u>	<u>\$ 1,042</u>	<u>\$ (726,538)</u>

Schedule of Noncash Financing Activities

The Food Service Fund Received \$107,856 of Donated Commodities

See accompanying notes to the basic financial statements.

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Food Service			
Total Revenues and Other Sources	\$ 2,310,675	\$ 2,305,458	\$ (5,217)
Total Expenditures and Other Uses	2,550,829	2,458,348	92,481
Net Change in Fund Balance	(240,154)	(152,890)	87,264
Fund Balance - July 1	334,262	334,262	-
Prior Year Encumbrances Appropriated	49,206	49,206	-
Fund Balance - June 30	<u>\$ 143,314</u>	<u>\$ 230,578</u>	<u>\$ 87,264</u>
Special Rotary			
Total Revenues and Other Sources	\$ 154,330	\$ 151,525	\$ (2,805)
Total Expenditures and Other Uses	234,653	224,449	10,204
Net Change in Fund Balance	(80,323)	(72,924)	7,399
Fund Balance - July 1	159,224	159,224	-
Prior Year Encumbrances Appropriated	13,729	13,729	-
Fund Balance - June 30	<u>\$ 92,630</u>	<u>\$ 100,029</u>	<u>\$ 7,399</u>
Community Recreation			
Total Revenues and Other Sources	\$ 72,508	\$ 72,016	\$ (492)
Total Expenditures and Other Uses	77,716	76,782	934
Net Change in Fund Balance	(5,208)	(4,766)	442
Fund Balance - July 1	25,914	25,914	-
Prior Year Encumbrances Appropriated	8,106	8,106	-
Fund Balance - June 30	<u>\$ 28,812</u>	<u>\$ 29,254</u>	<u>\$ 442</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Internal Service Fund

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

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

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Self-funded Insurance			
Total Revenues and Other Sources	\$ 9,975,085	\$ 9,935,378	\$ (39,707)
Total Expenses and Other Uses	8,391,495	8,242,372	149,123
Net Change in Fund Balance	1,583,590	1,693,006	109,416
Fund Balance - July 1	1,307,707	1,307,707	-
Prior Year Encumbrances Appropriated	40	40	-
Fund Balance - June 30	<u>\$ 2,891,337</u>	<u>\$ 3,000,753</u>	<u>\$ 109,416</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Fiduciary Fund Type

Private Purpose Trust and Agency Funds

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

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

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

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN
NET ASSET BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Private Purpose Trust			
Total Revenues and Other Sources	\$ 40,850	\$ 40,763	\$ (87)
Total Expenses and Other Uses	31,537	30,986	551
Net Change in Fund Balance	9,313	9,777	464
Fund Balance - July 1	78,105	78,105	-
Prior Year Encumbrances Appropriated	9,608	9,608	-
Fund Balance - June 30	<u>\$ 97,026</u>	<u>\$ 97,490</u>	<u>\$ 464</u>

GAHANNA JEFFERSON PUBLIC SCHOOL DISTRICT

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	Beginning Balance	Additions	Deductions	Ending Balance
Student-Managed Activities				
Assets				
Cash and Cash Equivalents	\$ 316,642	\$ 64,912	\$ -	\$ 381,554
Accounts Receivable	708	1,913	(708)	1,913
Materials and Supplies Inventory	16,856	-	(7,179)	9,677
Total Assets	\$ 334,206	\$ 66,825	\$ (7,887)	\$ 393,144
Liabilities				
Accounts Payable	\$ 12,223	\$ 29,131	\$ (12,223)	\$ 29,131
Due To Students	321,983	301,866	(259,836)	364,013
Total Liabilities	\$ 334,206	\$ 330,997	\$ (272,059)	\$ 393,144
Employee Flexible Spending Account				
Assets				
Cash and Cash Equivalents	\$ 30,918	\$ -	\$ (8,149)	\$ 22,769
Accounts Receivable	-	4,656	-	4,656
Total Assets	\$ 30,918	\$ 4,656	\$ (8,149)	\$ 27,425
Liabilities				
Due To Students	\$ 30,918	\$ 125,532	\$ (129,025)	\$ 27,425
Total Liabilities	\$ 30,918	\$ 125,532	\$ (129,025)	\$ 27,425
Total				
Assets				
Cash and Cash Equivalents	\$ 347,560	\$ 64,912	\$ (8,149)	\$ 404,323
Accounts Receivable	708	6,569	(708)	6,569
Materials and Supplies Inventory	16,856	-	(7,179)	9,677
Total Assets	\$ 365,124	\$ 71,481	\$ (16,036)	\$ 420,569
Liabilities				
Accounts Payable	\$ 12,223	\$ 29,131	\$ (12,223)	\$ 29,131
Due To Students	352,901	427,398	(388,861)	391,438
Total Liabilities	\$ 365,124	\$ 456,529	\$ (401,084)	\$ 420,569

III. STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	S3
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Cap	S14
These schedules contain information to help the readers assess the government's most significant local revenue source, the property tax.	
Debt Capacity	S21
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	S26
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	S27
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FISCAL YEARS	INSTRUCTIONAL SERVICES	SUPPORT SERVICES	COMMUNITY SERVICES	EXTRA-CURRICULAR	MISCELLANEOUS	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
2002	\$ 33,686,585	\$ 17,975,898	\$ 1,068,259	\$ 1,016,412	\$ -	\$ 1,548,913	\$ 5,040,083	\$ 60,336,150
2003	33,879,633	18,093,029	1,110,985	1,069,679	-	1,504,941	5,156,843	60,815,110
2004	37,546,398	19,735,060	1,185,029	1,011,401	-	1,441,251	5,389,639	66,308,778
2005	40,208,291	20,802,773	1,483,300	1,171,856	-	1,403,145	5,376,883	70,446,248
2006	42,858,430	20,938,272	1,314,358	1,190,475	42,792	1,957,782	4,065,728	72,367,837
2007	43,944,585	24,073,115	1,632,598	1,304,556	28,705	2,038,409	3,159,660	76,181,628
2008	47,130,905	23,855,015	1,345,075	1,193,075	62,913	2,965,881	3,157,285	79,710,149
2009	49,455,770	26,310,955	1,387,400	1,250,732	367,821	7,350,719	3,149,176	89,272,573
2010	54,900,622	26,354,779	1,436,421	1,162,198	-	2,431,619	3,440,842	89,726,481
2011	54,473,936	26,001,005	1,833,816	1,186,176	-	12,115,050	4,821,511	100,431,494

Notes:

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

**GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS**

FISCAL YEARS	PROPERTY TAXES	STATE SOURCES	FEDERAL SOURCES	INVESTMENT INCOME	TUITION	OTHER	TOTAL
2002	\$ 42,260,286	\$ 18,300,508	\$ 1,267,186	\$ 1,253,277	\$ 383,963	\$ 3,091,244	\$ 66,556,464
2003	44,475,146	14,169,688	1,329,342	721,447	212,768	2,757,489	63,665,880
2004	46,985,556	17,038,048	1,557,421	404,064	423,739	2,466,065	68,874,893
2005	41,978,299	18,218,969	1,807,255	856,315	405,098	2,428,207	65,694,143
2006	40,696,200	17,909,113	1,643,414	1,372,968	190,516	2,785,216	64,597,427
2007	55,361,476	19,125,501	2,316,518	1,570,168	352,127	4,546,260	83,272,050
2008	48,148,561	21,192,714	2,093,886	1,206,670	300,879	2,262,595	75,205,305
2009	52,829,685	22,651,012	3,237,019	471,801	223,159	2,565,756	81,978,432
2010	48,473,563	22,752,983	3,069,668	127,532	220,438	5,275,187	79,919,371
2011	48,514,070	23,188,046	4,182,227	86,447	165,944	10,691,841	86,828,575

Notes:

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 1,668	\$ 6,714	\$ 9,197	\$ 7,376	\$ 8,250	\$ 11,649	\$ 11,472	\$ 12,815
Restricted	5,129	4,716	5,087	3,504	3,183	2,815	1,391	3,342
Unrestricted	37,866	31,219	21,830	32,893	27,770	23,649	21,627	16,989
Total government activities net assets	<u>\$ 44,663</u>	<u>\$ 42,649</u>	<u>\$ 36,114</u>	<u>\$ 43,773</u>	<u>\$ 39,203</u>	<u>\$ 38,113</u>	<u>\$ 34,490</u>	<u>\$ 33,146</u>
 Business-type activities								
Invested in capital assets, net of related debt	\$ 222	\$ 159	\$ 133	\$ 108	\$ 93	\$ 78	\$ 68	\$ 54
Unrestricted	20	66	54	58	(175)	(246)	(30)	141
Total business-type activities net assets	<u>\$ 242</u>	<u>\$ 225</u>	<u>\$ 187</u>	<u>\$ 166</u>	<u>\$ (82)</u>	<u>\$ (168)</u>	<u>\$ 38</u>	<u>\$ 195</u>
 Primary government								
Invested in capital assets, net of related debt	\$ 1,890	\$ 6,873	\$ 9,330	\$ 7,484	\$ 8,343	\$ 11,727	\$ 11,540	\$ 12,869
Restricted	5,129	4,716	5,087	3,504	3,183	2,815	1,391	3,342
Unrestricted	37,886	31,285	21,884	32,951	27,595	23,403	21,597	17,130
Total primary government net assets	<u>\$ 44,905</u>	<u>\$ 42,874</u>	<u>\$ 36,301</u>	<u>\$ 43,939</u>	<u>\$ 39,121</u>	<u>\$ 37,945</u>	<u>\$ 34,528</u>	<u>\$ 33,341</u>

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

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

	2003	2004	2005	2006	2007
Expenses					
Governmental Activities					
Instruction					
Regular	\$29,450,997	\$31,457,676	\$33,832,369	\$36,371,451	\$36,391,717
Special	5,777,795	6,850,693	7,871,474	8,800,208	9,324,084
Vocational	775,576	811,482	798,656	938,003	952,998
Support Services					
Pupils	2,396,788	2,650,532	3,231,648	3,364,165	3,202,037
Instructional Staff	2,753,588	2,863,314	3,062,130	3,277,989	4,318,925
General Administration	407,947	638,050	443,366	29,741	363,011
School Administration	4,785,813	5,351,523	5,133,972	5,936,160	6,437,690
Fiscal Services	1,214,960	994,712	1,614,463	938,004	1,200,155
Business	0	30,224	58,898	27,402	33,553
Maintenance	4,476,808	5,092,560	5,026,804	5,357,488	6,423,038
Pupil Transportation	1,820,203	1,998,152	1,997,835	2,274,066	2,238,298
Central	408,529	356,418	331,263	370,746	362,329
Community Services	1,066,540	1,189,183	1,403,803	1,440,164	1,748,237
Extra Curricular Activities	1,153,582	1,112,651	1,271,923	1,285,184	1,396,326
Construction Services	36,955	-	-	-	-
Miscellaneous	331,202	118,397	8,601	42,792	28,705
Interest and Fiscal Charges	1,736,910	1,750,191	1,422,787	1,058,443	1,496,189
Total governmental activities expense	<u>58,594,193</u>	<u>63,265,758</u>	<u>67,509,992</u>	<u>71,512,006</u>	<u>75,917,292</u>
Business type activities					
Food Service	1,833,720	1,712,604	1,893,506	1,949,954	1,967,248
Special Rotary	158,317	86,878	122,470	138,392	152,540
Community Recreation	74,505	72,787	84,397	51,303	86,845
Total Business-Type activities	<u>2,066,542</u>	<u>1,872,269</u>	<u>2,100,373</u>	<u>2,139,649</u>	<u>2,206,633</u>
Total primary government expenses	<u>\$60,660,735</u>	<u>\$65,138,027</u>	<u>\$69,610,365</u>	<u>\$73,651,655</u>	<u>\$78,123,925</u>
Program Revenue					
Governmental Activities					
Charges for services					
Instruction					
Regular	\$ 186,671	\$ 195,399	\$ 190,981	\$ 196,672	\$ 189,732
Special	212,768	423,739	405,098	190,516	352,127
Vocational	-	-	-	-	-
Support Services					
Instructional Staff	-	-	-	-	-
School Administration	142,679	158,342	137,391	162,888	-
Maintenance	108,126	241,248	245,501	217,751	2,661,408
Extra Curricular Activities	429,558	395,777	470,913	461,900	-
Interest and Fiscal Charges	-	-	-	-	-
Operating Grants/Contributions	<u>3,058,675</u>	<u>3,275,844</u>	<u>3,766,308</u>	<u>3,716,244</u>	<u>4,098,242</u>
Total governmental activities program revenue	<u>4,138,477</u>	<u>4,690,349</u>	<u>5,216,192</u>	<u>4,945,971</u>	<u>7,301,509</u>
Business type activities					
Charges for services					
Food Service	1,312,091	1,333,088	1,430,009	1,425,505	1,406,671
Special Rotary	89,237	156,001	142,587	157,443	174,504
Community Recreation	75,395	82,884	79,386	57,152	70,912
Operating Grants/Contributions	<u>319,740</u>	<u>380,544</u>	<u>400,666</u>	<u>457,763</u>	<u>448,913</u>
Total Business-Type Activities	<u>1,796,463</u>	<u>1,952,517</u>	<u>2,052,648</u>	<u>2,097,863</u>	<u>2,101,000</u>
Total primary government program revenue	<u>\$ 5,934,940</u>	<u>\$ 6,642,866</u>	<u>\$ 7,268,840</u>	<u>\$ 7,043,834</u>	<u>\$ 9,402,509</u>

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

(continued)

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$38,623,709	\$40,440,618	\$42,966,520	\$40,644,719
10,095,409	10,698,891	12,250,935	12,526,806
933,319	1,025,295	827,459	910,933
3,409,976	3,921,520	3,815,240	3,728,573
4,303,041	4,514,239	4,191,805	4,156,156
505,563	287,677	231,202	297,963
6,299,721	7,650,509	6,751,845	6,914,370
1,357,185	1,440,112	1,585,119	1,415,383
70,033	55,637	24,985	13,282
6,593,690	6,136,603	6,899,638	5,986,644
2,691,275	2,752,517	2,959,148	2,948,860
520,399	399,149	664,840	620,160
1,405,400	1,467,572	1,428,413	1,811,471
1,284,493	1,357,943	1,253,227	1,275,667
-	-	-	-
68,817	463,980	-	-
1,205,273	1,014,684	1,229,512	1,629,368
<u>79,367,303</u>	<u>83,626,946</u>	<u>87,079,888</u>	<u>84,880,355</u>
2,241,062	2,093,024	2,215,210	2,351,236
236,420	172,298	228,289	215,089
54,890	85,742	78,812	61,633
<u>2,532,372</u>	<u>2,351,064</u>	<u>2,522,311</u>	<u>2,627,958</u>
<u>\$81,899,675</u>	<u>\$85,978,010</u>	<u>\$89,602,199</u>	<u>\$87,508,313</u>
\$ 220,021	\$ 615,908	\$ 1,077,394	\$ 1,039,830
300,879	-	121,466	135,746
-	-	8,820	9,707
-	-	81,855	115,538
-	-	217,024	146,581
678,903	362,117	148,220	137,194
-	200,098	331,192	310,599
-	412,053	-	-
<u>4,573,343</u>	<u>4,969,118</u>	<u>4,370,505</u>	<u>6,600,056</u>
<u>5,773,146</u>	<u>6,559,294</u>	<u>6,356,476</u>	<u>8,495,251</u>
1,518,667	1,446,345	1,537,622	1,606,514
169,766	178,818	182,879	140,480
61,301	77,491	72,565	72,251
611,084	561,422	897,663	926,450
<u>2,360,818</u>	<u>2,264,076</u>	<u>2,690,729</u>	<u>2,745,695</u>
<u>\$ 8,133,964</u>	<u>\$ 8,823,370</u>	<u>\$ 9,047,205</u>	<u>\$11,240,946</u>

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

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

(continued)

	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental Activities	\$ (54,455,716)	\$ (58,575,409)	\$ (62,293,800)	\$ (66,566,035)	\$ (68,615,783)
Business type activities	(270,079)	80,248	(47,725)	(41,786)	(105,633)
Total primary government net expense	<u>\$ (54,725,795)</u>	<u>\$ (58,495,161)</u>	<u>\$ (62,341,525)</u>	<u>\$ (66,607,821)</u>	<u>\$ (68,721,416)</u>
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property taxes	\$ 47,250,351	\$ 44,494,481	\$ 41,736,228	\$ 40,850,429	\$ 55,642,673
Payment in Lieu of Taxes	1,726,121	1,424,148	1,357,693	1,688,835	1,695,120
Grants & entitlements not restricted to specific programs	12,440,355	15,319,625	16,329,286	16,102,786	17,343,777
Investment Earnings	717,438	431,410	858,264	1,331,365	1,592,381
Miscellaneous	164,334	52,151	25,728	58,169	-
Transfer	-	(500)	(27,599)	-	-
Total governmental activities general revenues and other changes	<u>62,298,599</u>	<u>61,721,315</u>	<u>60,279,600</u>	<u>60,031,584</u>	<u>76,273,951</u>
Business type activities					
Investment Earnings	2,323	1,061	2,387	3,868	3,629
Transfer	-	500	27,599	-	-
Total governmental activities general revenues and other changes	<u>2,323</u>	<u>1,561</u>	<u>29,986</u>	<u>3,868</u>	<u>3,629</u>
Total primary general government revenues and other changes	<u>\$ 62,300,922</u>	<u>\$ 61,722,876</u>	<u>\$ 60,309,586</u>	<u>\$ 60,035,452</u>	<u>\$ 76,277,580</u>
Change in Net Assets					
Governmental Activities	\$ 7,842,883	\$ 3,145,906	\$ (2,014,200)	\$ (6,534,451)	\$ 7,658,168
Business type activities	(267,756)	81,809	(17,739)	(37,918)	(102,004)
Total primary government	<u>\$ 7,575,127</u>	<u>\$ 3,227,715</u>	<u>\$ (2,031,939)</u>	<u>\$ (6,572,369)</u>	<u>\$ 7,556,164</u>

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

(continued)

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ (73,594,157)	\$ (77,067,652)	\$ (80,723,412)	\$ (76,385,104)
(171,554)	(86,988)	168,418	117,737
<u>\$ (73,765,711)</u>	<u>\$ (77,154,639)</u>	<u>\$ (80,554,994)</u>	<u>\$ (76,267,367)</u>
\$ 47,142,393	\$ 53,167,192	\$ 48,040,262	\$ 48,542,206
1,304,735	1,376,107	4,698,766	3,960,116
19,367,447	20,918,913	21,658,340	21,378,403
1,152,125	513,427	79,545	75,858
58,846	1,816	136,191	1,124,388
		(37,000)	(40,200)
<u>69,025,546</u>	<u>75,977,455</u>	<u>74,576,104</u>	<u>75,040,771</u>
4,599	1,029	152	-
-	-	37,000	40,200
<u>4,599</u>	<u>1,029</u>	<u>37,152</u>	<u>40,200</u>
<u>\$ 69,030,145</u>	<u>\$ 75,978,484</u>	<u>\$ 74,613,256</u>	<u>\$ 75,080,971</u>
\$ (4,568,611)	\$ (1,090,197)	\$ (6,147,308)	\$ (1,344,333)
(166,955)	(85,959)	205,570	157,937
<u>\$ (4,735,565)</u>	<u>\$ (1,176,156)</u>	<u>\$ (5,941,738)</u>	<u>\$ (1,186,396)</u>

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GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Nonspendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	355,766	80,294
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	76,361	21,039
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21,760,223	17,321,066
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,554,210	1,816,378
Reserved	1,753,711	8,276,311	11,340,908	12,117,718	21,364,301	20,199,168	23,650,591	N/A	N/A
Unreserved	32,688,198	28,120,188	20,985,009	13,491,965	10,389,798	10,185,497	4,858,287	N/A	N/A
Total General Fund	<u>34,441,909</u>	<u>36,396,499</u>	<u>32,325,917</u>	<u>25,609,683</u>	<u>31,754,099</u>	<u>30,384,665</u>	<u>28,508,878</u>	<u>23,746,560</u>	<u>19,238,777</u>
Other Governmental Funds									
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,521,902	7,932,238
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(131,478)	(677,150)
Reserved	811,807	158,600	489,351	1,064,339	2,040,747	1,436,104	1,138,999	N/A	N/A
Unreserved, reported in:									
Special Revenue Funds	287,361	564,245	239,827	118,658	(103,005)	(62,447)	52,341	N/A	N/A
Debt Service Fund	4,633,806	5,587,121	4,883,635	3,731,252	3,581,152	2,876,827	2,762,609	N/A	N/A
Capital Projects Fund	18,492	51,932	38,963	(385,650)	25,711	23,093	(5,546,366)	N/A	N/A
Total Governmental Funds	<u>5,751,466</u>	<u>6,361,898</u>	<u>5,651,776</u>	<u>4,528,599</u>	<u>5,544,605</u>	<u>4,273,577</u>	<u>(1,592,417)</u>	<u>16,390,424</u>	<u>7,255,088</u>

N/A- Fund Balance classifications are not applicable due to implementation of GASB 54 in fiscal year 2011 including restatement of fiscal year 2010.

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

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

	2003	2004	2005	2006	2007
Revenues:					
From local sources					
Taxes	\$ 44,475,146	\$ 46,985,556	\$ 41,978,299	\$ 40,696,200	\$ 55,361,476
Payment in Lieu of Taxes	-	-	-	-	-
Tuition	212,768	423,739	405,098	190,516	352,127
Other local	2,593,155	2,421,764	2,428,204	2,728,046	4,546,260
Intergovernmental - State	14,169,688	17,038,048	18,217,969	17,909,113	19,125,501
Intergovernmental - Federal	1,329,342	1,557,421	1,807,255	1,643,414	2,316,518
Investment Income	721,447	404,064	856,315	1,372,968	1,570,168
Other revenue	164,334	44,301	3	58,169	-
Total Revenues	\$ 63,665,880	\$ 68,874,893	\$ 65,693,143	\$ 64,598,426	\$ 83,272,050
Expenditures (Current):					
Instruction					
Regular	\$ 27,162,685	\$ 29,735,300	\$ 31,628,929	\$ 33,447,171	\$ 33,872,461
Special	5,897,549	6,829,362	7,738,105	8,541,106	9,143,465
Vocational	749,335	863,339	832,576	870,153	928,659
Other Instruction	-	-	-	-	-
Support Services					
Pupils	2,434,057	2,796,432	3,164,865	3,280,871	3,161,377
Instructional Staff	2,703,471	2,847,403	3,007,642	3,232,645	4,277,794
General Administration	409,168	584,050	443,095	29,470	346,900
School Administration	5,002,246	5,424,111	5,341,518	5,777,700	6,343,711
Fiscal Services	1,218,549	995,464	1,621,204	932,190	1,194,468
Business	-	8,754	7,306	15,369	14,193
Maintenance	4,486,777	4,988,351	5,085,044	5,217,133	6,305,866
Pupil Transportation	1,573,010	1,835,277	1,884,823	2,122,912	2,121,376
Central	265,751	255,218	247,276	329,982	307,430
Community Services	1,110,985	1,185,029	1,483,300	1,314,358	1,632,598
Extra Curricular Activities	1,069,679	1,011,401	1,171,856	1,190,475	1,304,556
Construction Services	1,475	4,500	-	-	-
Miscellaneous	68,589	118,397	8,601	42,792	28,705
Capital Outlay	1,504,941	1,436,751	1,403,145	1,957,782	2,038,409
Debt Service:					
Principal Retirement	3,969,335	4,322,705	4,386,976	3,357,290	2,364,605
Interest and Fiscal Charges	1,187,508	1,066,934	989,907	708,438	795,055
Total Expenditures	\$ 60,815,110	\$ 66,308,778	\$ 70,446,168	\$ 72,367,837	\$ 76,181,628
Excess (deficiency) of revenue over (under) expenditures	\$ 2,850,770	\$ 2,566,115	\$ 4,753,105	\$ (7,769,411)	\$ 7,090,422
Other Financing (Sources) Uses					
Transfers in	10,350	3,946	6,110	-	430,303
Transfers (out)	(10,350)	(3,446)	(33,709)	-	(430,303)
Sale of Assets	-	-	-	-	-
Refunding issuance cost	-	-	-	(143,470)	-
Refunding bond issued	-	-	-	9,119,993	-
Payment refund bond escrow	-	-	-	(9,437,123)	-
Premium on refund bond escrow	-	-	-	460,600	-
Bonds proceeds	-	-	-	-	-
Premium on notes issuance	-	-	-	-	-
Discount on Bonds Issued	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 500	\$ (27,599)	\$ -	\$ -
Net Change in Fund balances	\$ 2,850,770	\$ 2,566,615	\$ 4,725,506	\$ (7,769,411)	\$ 7,090,422
Debt Service as a percentage of non capital expenditures	8.7%	8.3%	7.8%	5.8%	4.3%

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

2008	2009	2010	2011
\$ 48,149,561	\$ 52,829,685	\$ 48,473,563	\$ 48,514,070
-	-	3,404,999	5,381,328
300,879	223,159	220,438	165,944
2,262,595	2,565,756	1,870,188	2,874,763
21,192,714	22,651,012	22,752,983	23,188,046
2,093,886	3,237,019	3,069,668	4,182,227
1,206,670	471,801	127,532	86,447
-	-	-	-
<u>\$ 75,206,305</u>	<u>\$ 81,978,432</u>	<u>\$ 79,919,371</u>	<u>\$ 84,392,825</u>
\$ 36,265,900	\$ 37,981,359	41,836,956	40,869,401
9,961,266	10,461,375	12,185,807	12,702,222
897,834	998,076	877,859	902,313
5,904	14,960	-	-
3,335,452	3,897,932	3,801,545	3,828,604
4,270,215	4,423,349	4,205,993	4,247,651
505,563	256,100	217,292	264,969
6,040,972	7,523,175	6,681,522	6,908,686
1,323,788	1,432,424	1,571,243	1,418,034
13,465	5,348	26,945	13,282
5,700,882	5,980,392	6,553,193	6,040,227
2,330,467	2,429,630	2,654,925	2,688,397
334,211	362,605	642,121	591,155
1,345,075	1,387,400	1,436,421	1,833,816
1,193,075	1,250,732	1,162,198	1,186,176
-	-	-	-
62,913	367,821	-	-
2,965,881	7,350,719	2,431,619	12,115,050
2,378,986	2,113,192	2,090,647	3,380,675
778,299	1,062,447	1,350,195	1,440,836
<u>\$ 79,710,148</u>	<u>\$ 89,299,036</u>	<u>\$ 89,726,481</u>	<u>\$ 100,431,494</u>
\$ (4,503,843)	\$ (7,320,604)	\$ (9,807,110)	\$ (16,038,669)
-	-	6,354,489	1,751,314
-	-	(6,391,489)	(1,791,514)
-	-	78,100	85,420
-	-	-	-
-	6,380,000	-	-
-	(6,488,537)	-	-
-	240,654	-	-
1,200,000	-	21,247,770	-
16,840	-	-	-
-	-	(34,897)	-
-	-	297,480	2,350,330
<u>\$ 1,216,840</u>	<u>\$ 132,117</u>	<u>\$ 21,551,453</u>	<u>\$ 2,395,550</u>
<u>\$ (3,287,003)</u>	<u>\$ (7,188,487)</u>	<u>\$ 11,744,343</u>	<u>\$ (13,643,119)</u>
4.1%	3.9%	3.9%	5.5%

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

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITIES		TOTAL		Effective Tax Rate (Per \$1,000 of Assessed Value)	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2000	898,531	2,567,231	181,223	724,892	29,848	86,280	1,109,602	3,378,403	61.21	32.84%
2001	929,286	2,655,103	169,184	676,736	25,183	71,949	1,123,653	3,403,788	61.24	33.01%
2002	1,057,601	3,021,717	195,431	814,296	30,504	87,154	1,283,536	3,923,167	60.90	32.72%
2003	1,091,561	3,118,746	112,361	488,526	33,788	96,537	1,237,710	3,703,809	61.19	33.42%
2004	1,127,088	3,220,251	90,329	376,363	30,915	88,329	1,248,332	3,684,943	60.14	33.88%
2005	1,327,022	3,791,493	76,267	100,072	35,025	305,068	1,438,314	4,196,633	59.24	34.27%
2006	1,360,220	3,886,343	49,266	262,752	32,861	93,889	1,442,347	4,242,984	69.35	33.99%
2007	1,400,668	4,001,909	30,126	241,008	26,670	76,200	1,457,464	4,319,117	65.80	33.74%
2008	1,441,225	4,117,784	3,093	49,488	28,476	81,360	1,472,794	4,248,632	68.98	34.67%
2009	1,444,827	4,128,077	1,546	39,920	29,890	85,400	1,476,263	4,244,397	66.73	34.78%
2010	1,450,461	4,144,174	0	0	29,283	83,666	1,479,744	4,227,840	66.73	35.00%

Note: (1) In thousands except ratios

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

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

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			GAHANNA CITY	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL					
2000 for 2001	95.15	57.00	4.21	61.21	2.40	17.64	2.00	2.20	9.70
2001 for 2002	95.18	57.00	4.24	61.24	2.40	17.64	2.00	2.20	9.70
2002 for 2003	94.84	57.00	3.90	60.90	2.40	17.64	2.00	2.20	9.70
2003 for 2004	95.13	57.00	4.19	61.19	2.40	17.64	2.00	2.20	9.70
2004 for 2005	95.88	57.00	3.14	60.14	2.40	18.44	2.00	2.20	10.70
2005 for 2006	94.98	57.00	2.24	59.24	2.40	18.44	2.00	2.20	10.70
2006 for 2007	102.69	66.95	2.40	69.35	2.40	18.44	2.00	2.20	10.70
2007 for 2008	101.59	63.40	2.40	65.80	2.40	18.49	2.00	2.20	10.70
2008 for 2009	92.14	66.78	2.20	68.98	2.40	18.02	2.00	2.20	10.70
2009 for 2010	102.10	64.33	2.40	66.73	2.40	18.07	2.00	2.20	10.70
2010 for 2011	102.70	64.90	1.83	66.73	2.40	18.07	2.00	2.80	10.70

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

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

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

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

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	JEFFERSON TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL				
2000 for 2001	93.58	57.00	4.21	61.21	17.64	2.00	2.20	10.53
2001 for 2002	93.58	57.00	4.24	61.24	17.64	2.00	2.20	10.50
2002 for 2003	93.11	57.00	3.90	60.90	17.64	2.00	2.20	10.37
2003 for 2004	93.40	57.00	4.19	61.19	17.64	2.00	2.20	10.37
2004 for 2005	93.43	57.00	3.14	60.14	18.44	2.00	2.20	10.65
2005 for 2006	92.46	57.00	2.24	59.24	18.44	2.00	2.20	10.58
2006 for 2007	99.68	66.95	2.05	69.00	18.44	2.00	2.20	10.09
2007 for 2008	99.61	63.80	2.00	65.80	18.49	2.00	2.20	9.49
2008 for 2009	102.10	66.78	2.40	69.18	18.02	2.00	2.20	10.70
2009 for 2010	100.17	64.73	2.00	66.73	18.07	2.00	2.20	9.54
2010 for 2011	100.77	64.90	1.83	66.73	18.07	2.00	2.80	9.54

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

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

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

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

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL				
2000 for 2001	103.85	57.00	4.21	61.21	17.64	2.00	2.20	20.80
2001 for 2002	104.88	57.00	4.24	61.24	17.64	2.00	2.20	21.80
2002 for 2003	104.54	57.00	3.90	60.90	17.64	2.00	2.20	21.80
2003 for 2004	104.86	57.00	4.19	61.19	17.64	2.00	2.20	21.80
2004 for 2005	105.58	57.00	3.14	60.14	18.44	2.00	2.20	22.80
2005 for 2006	104.68	57.00	2.24	59.24	18.44	2.00	2.20	22.80
2006 for 2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.80
2007 for 2008	111.29	63.80	2.00	65.80	18.49	2.00	2.20	22.80
2008 for 2009	115.80	66.78	2.20	68.98	18.02	2.00	2.20	26.80
2009 for 2010	113.80	64.73	2.00	66.73	18.07	2.00	2.20	24.80
2010 for 2011	114.40	64.90	1.83	66.73	18.07	2.00	2.80	24.80

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

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

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

FISCAL YEAR	TOTAL RATE	-----SCHOOL DISTRICT-----			TOTAL SCHOOL	COLUMBUS CITY	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY
		GENERAL FUND	BOND RETIREMENT FUND						
2000 for 2001	86.19	57.00	4.21	61.21	3.14	17.64	2.00	2.20	
2001 for 2002	86.22	57.00	4.24	61.24	3.14	17.64	2.00	2.20	
2002 for 2003	85.88	57.00	3.90	60.90	3.14	17.64	2.00	2.20	
2003 for 2004	86.17	57.00	4.19	61.19	3.14	17.64	2.00	2.20	
2004 for 2005	85.92	57.00	3.14	60.14	3.14	18.44	2.00	2.20	
2005 for 2006	85.02	57.00	2.24	59.24	3.14	18.44	2.00	2.20	
2006 for 2007	92.73	66.95	2.05	69.00	3.14	18.44	2.00	2.20	
2007 for 2008	91.63	63.80	2.00	65.80	3.14	18.49	2.00	2.20	
2008 for 2009	100.17	66.78	2.00	68.78	1.63	18.02	2.00	2.20	
2009 for 2010	92.14	64.73	2.00	66.73	3.14	18.07	2.00	2.20	
2010 for 2011	102.85	64.90	1.83	66.73	1.63	18.07	2.00	2.80	

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

- Table 5a - City of Gahanna - Gahanna-Jefferson City School District
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- Table 5d - City of Columbus - Gahanna-Jefferson City School District

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
TOP PRINCIPAL PROPERTY TAXPAYERS
2011 COLLECTION YEAR

	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION
<u>PUBLIC UTILITIES</u>		
1. Columbus Southern Power Co.	\$26,592,960	1.80%
<u>REAL ESTATE</u>		
1. Distribution Land Corp	38,727,540	2.62%
2. Abbot Laboratories	12,379,460	0.84%
3. Stoneridge Plaza Shops	8,700,450	0.59%
4. Vista at Rocky Fork LP	7,844,490	0.53%
5. McGraw-Hill	6,138,450	0.42%
6. IPOFA Columbus Works LLC	5,979,260	0.41%
7. McCutcheon GE LLC	5,137,450	0.35%
8. AERC Christopher Wren Inc	4,851,010	0.33%
9. Casto Reynoldsburg	3,910,200	0.26%
10. Continental/Eagle IV LLC	3,452,790	0.23%
ALL OTHERS	1,352,549,400	91.62%
TOTAL ASSESSED VALUATION	\$1,476,263,460	100.00%

TANGIBLE PERSONAL PROPERTY

1. Ohio Bell Telephone Company	572,860
2. New Par	108,680
3. Cincinnati SMSA Ltd. Partnership	80,300
4. Time Warner Telecom of Ohio Inc.	67,170
5. Sprintcom, Inc.	44,070
6. MCI Communications Services	13,900
7. Sprint Nextel Corp.	10,190
8. TWC Digital Phone LLC	9,590
9. T Mobil Central LLC	7,380
10. Ameritech Advanced Data Services	3,680

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
TOP PRINCIPAL PROPERTY TAXPAYERS
2002 COLLECTION YEAR

	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION
<u>PUBLIC UTILITIES</u>		
1. Columbus Southern Power Co.	\$15,969,930	0.75%
2. Ohio Bell Telephone Co.	5,544,570	0.26%
3. Columbia Gas of Ohio Inc.	1,797,430	0.08%
<u>REAL ESTATE</u>		
1. Distribution Land Corp	36,091,930	1.70%
2. NS-MPG Inc	10,242,750	0.48%
3. Morse & Hamilton LP	9,167,610	0.43%
4. Vista at Rocky Fork LP	6,930,000	0.33%
5. AERC Christopher Wren, Inc.	4,410,000	0.21%
6. Abbot Laboratories	3,869,710	0.18%
7. Casto Reynoldsburg	3,780,000	0.18%
8. Huntington National Bank	3,295,950	0.15%
9. Glimcher Properties LP	3,080,010	0.14%
10. Rosebrook Ltd.	2,975,000	0.14%
ALL OTHERS	896,781,536	0
TOTAL ASSESSED VALUATION	\$1,003,936,426	47.19%

TANGIBLE PERSONAL PROPERTY

1. Lucent Technologies, Inc	77,534,740	3.64%
2. Limited Technologies Services Inc	7,907,710	0.37%
3. I B M Credit Corporation	7,525,480	0.35%
4. Petsmart Inc	7,035,160	0.33%
5. Abbott Laboratories	6,315,640	0.30%
6. Limited Distribution Services, Inc.	3,814,160	0.18%
7. Basell USA Inc	3,199,710	0.15%
8. Kroger Company	2,588,100	0.12%
9. CIT Technologies Corporation	1,985,267	0.09%
10. Limited Stores Inc	1,811,600	0.09%
TOTAL ASSESSED VALUATION	\$2,127,590,419	100.00%

SOURCE: Office of the County Auditor, Franklin County.

NOTE: Assessed Values are for the valuation year of 2010 and 2001 respectively. The personal property values are tax year 2008 as reported by the taxpayers.

These are reference purposes only due to the phase out of the personal property tax.

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

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	(1) DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
2000	46,166,623	44,351,171	96.1%	1,742,309	46,093,480	99.8%	1,956,032	4.2%
2001	45,636,107	44,706,135	98.0%	1,478,902	46,185,037	101.2%	2,794,570	6.1%
2002	48,048,726	45,588,643	94.9%	1,376,675	46,965,318	97.7%	5,569,776	11.6%
2003	45,271,640	43,916,722	97.0%	4,002,243	47,918,965	105.8%	3,078,699	6.8%
2004	45,537,966	43,215,528	94.9%	1,474,894	44,690,422	98.1%	2,856,629	6.3%
2005	46,001,432	43,224,876	94.0%	1,104,077	44,328,953	96.4%	2,990,858	6.5%
2006	45,625,340	43,746,208	95.9%	1,224,642	44,970,850	98.6%	3,272,055	7.2%
2007	56,958,309	53,759,198	94.4%	1,705,498	55,464,696	97.4%	3,384,121	5.9%
2008	55,291,689	51,583,524	93.3%	1,554,593	53,138,117	96.1%	3,783,270	6.8%
2009	56,342,165	52,027,471	92.3%	1,665,056	53,692,527	95.3%	3,390,232	6.0%
2010	57,521,107	52,285,423	90.9%	1,574,795	53,860,218	93.6%	3,215,574	5.6%

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

(1) The delinquent taxes are not provided by County as to the year in which they apply but in which the year they are collected causing percentages to be greater than 100 percent

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2011

Total Assessed Valuation	\$1,476,263,460
Overall Debt Limitation:	
9% of assessed valuation	132,863,711
Gross Indebtedness	34,324,578
Less: Debt outside limitations	0
Net debt within limitations	34,324,578
Legal debt margin within 9% limitation	98,539,133
Unvoted Debt Limitation:	
.1% of assessed valuation	1,476,263
Gross Indebtedness	0.00
Less: Debt outside limitations	0.00
Net debt within limitations	0.00
Legal debt margin within .1% limitation	\$1,476,263

Note: (1) Assessed valuation from Table 6

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

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

CALENDAR YEAR	ESTIMATED POPULATION (1)	ASSESSED VALUE REAL & PERSONAL PROPERTY (2)	GENERAL BONDED DEBT (3)	Certificates of Participation (3)	Capital Leases (3)	RATIO BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2000	32,636	1,109,602,142	38,480,867	-	656,317	0.0347	1,179.09
2001	33,605	1,123,653,993	35,200,867	-	495,696	0.0313	1,047.49
2002	33,552	1,283,536,556	31,678,867	-	321,072	0.0247	944.17
2003	33,194	1,237,710,627	31,565,330	-	131,213	0.0255	950.93
2004	34,469	1,248,329,774	23,003,103	-	-	0.0184	667.36
2005	34,469	1,438,314,691	24,662,018	-	-	0.0171	715.48
2006	35,000	1,442,347,097	22,603,323	-	-	0.0157	645.81
2007	34,170	1,451,510,389	19,946,041	-	-	0.0137	583.73
2008	34,355	1,427,337,730	22,986,928	-	-	0.0161	669.10
2009	35,200	1,476,263,460	30,063,639	6,565,000	246,833	0.0204	854.08
2010	34,355	1,476,263,460	28,417,393	6,095,000	2,174,673	0.0192	827.17

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

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

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

GENERAL OBLIGATION BOND DEBT SERVICE

FISCAL YEARS	PRINCIPAL	INTEREST	TOTAL	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)	RATIO OF GENERAL OBLIGATION BOND DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
2001	3,280,000	1,435,012	4,715,012	63,922,252	0.0738
2002	3,522,000	1,278,725	4,800,725	60,336,150	0.0796
2003	3,237,989	1,654,146	4,892,135	60,815,110	0.0804
2004	3,859,000	1,067,648	4,926,648	66,308,778	0.0743
2005	4,050,000	925,162	4,975,162	70,446,248	0.0706
2006	3,061,000	667,895	3,728,895	72,367,837	0.0515
2007	2,030,000	746,990	2,776,990	72,367,837	0.0384
2008	2,027,370	1,025,636	3,053,006	76,181,628	0.0401
2009	8,493,193	1,091,582	9,584,775	79,710,149	0.1202
2010	2,090,647	984,804	3,075,451	89,726,481	0.0343
2011	3,380,675	1,440,836	4,821,511	100,431,494	0.0480

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

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2010

	Assessed Valuation	General Bonded Debt	(1) Percent Overlapping	Applicable To Gahanna-Jefferson City School District
Direct:				
Gahanna-Jefferson City School District	\$1,476,263,460	\$28,833,535	100.00%	\$28,833,535
Overlapping:				
Franklin County	27,984,334,490	252,220,000	5.29%	13,342,438
City of Columbus	15,876,980,650	1,169,188,245	0.99%	11,574,964
City of Gahanna	962,389,200	20,290,000	99.16%	20,119,564
Jefferson Township	487,553,140	1,335,000	73.41%	980,024
Mifflin Township	1,004,770,470	<u>1,630,000</u>	95.95%	<u>1,563,985</u>
Total overlapping		<u>1,444,663,245</u>		<u>47,580,974</u>
Total direct and overlapping debt		<u>\$1,473,496,780</u>		<u>\$76,414,509</u>

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

- (1) The percent overlap calculation based on the percentage of assessed property tax valuation within District compared to the total assessed valuation for the overlapping entity.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

PROPERTY VALUE AND CONSTRUCTION
LAST TEN YEARS

CALENDAR YEAR	RESIDENTIAL		Commercial & Industrial		TOTAL # OF PERMITS	VALUE
	# OF PERMITS	VALUE	# OF PERMITS	VALUE		
2000	124	25,238,275	68	26,927,015	192	52,165,290
2001	90	15,438,697	56	9,737,630	146	25,176,327
2002	81	17,830,399	58	11,206,427	139	29,036,826
2003	287	15,371,775	55	27,647,819	342	43,019,594
2004	96	20,260,456	50	27,013,025	146	47,273,481
2005	45	10,155,440	48	17,386,340	93	27,541,780
2006	35	10,224,098	65	32,387,770	100	42,611,868
2007	221	12,510,073	93	42,775,873	314	55,285,946
2008	100	6,759,578	72	12,760,419	172	19,519,997
2009	70	5,128,120	49	10,585,081	119	15,713,201
2010	77	4,264,504	54	24,612,909	131	28,877,413

Source: City of Gahanna.

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

DEMOGRAPHICS AND OTHER MISCELLANEOUS STATISTICS

Enrollment - June, 2011 7,075

Staff - June, 2011

Certificated	527
Administrator	35
Classified	256
Psychologist	6
Total Staff	<u>824</u>

Buildings

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

Classroom Teachers' Average Salary 2010-11 \$65,196

Cost per pupil - Fiscal year (all funds) 2010-11 \$11,247

Classroom Teachers Ratio 2010-11 21:1

Valuation per pupil (2011) \$209,151

Standardized Test Scores (2010-11):

	Gahanna-Jefferson	Ohio	Nation
American College Test (ACT)			
Reading.....	22.6	22.1	21.3
English.....	22.3	21.1	20.6
Mathematics.....	22.4	21.5	21.1
Science.....	22.6	21.8	20.9
Composite.....	22.6	21.8	21.1
Scholastic Aptitude Test (SAT)			
Verbal.....	548.0	539.0	497.0
Mathematics.....	556.0	545.0	514.0
Writing.....	521.0	522.0	489.0

Certificated Degree Count FY2011

<u>Degree</u>	<u>Count</u>	<u>Degree</u>	<u>Count</u>		<u>Count</u>	<u>Percent</u>
BA.....	18	MA.....	146	Total BA.....	118	22%
BA+12.....	22	MA+12.....	116			
BA+150....	78	MA+30.....	68	Total MA.....	409	78%
		MA+45.....	79			

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

FREE AND REDUCED MEALS STATISTICS

Building	# of Students	ADM	Building Percentage	District Percentage
Blacklick Elemenary	52	441	0.12	0.01
Chapelfield Elementary	155	442	0.35	0.02
Goshen Lane Elementary	223	392	0.57	0.03
High Point Elementary	23	482	0.05	0.00
Jefferson Elementary	115	517	0.22	0.02
Lincoln Elementary	125	439	0.28	0.02
Royal Manor Elementary	171	412	0.42	0.02
Middle School East	64	506	0.13	0.01
Middle School South	119	542	0.22	0.02
Middle School West	298	611	0.49	0.04
Lincoln High School	478	2,291	0.21	0.07
TOTAL	1823	7,075	0.26	0.26

Source: School District Records

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

STAFF DATA

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Professional Staff								
Teaching Staff:								
Elementary	207.3	207.1	210.0	189.4	201.3	201.4	198.8	197.0
Middle	129.1	130.2	134.9	132.1	134.2	129.2	129.9	131.0
High	139.8	141.1	142.8	138.5	138.4	138.0	136.2	134.7
Administrators *	35.5	34.0	34.0	34.0	33.0	33.0	30.0	36.0
Admin. Specialists/Managers**	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Positions:								
Psychologists	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Nurses	5.0	7.3	6.3	3.0	3.0	3.0	3.0	3.0
Speech*	5.6	6.0	6.8	5.0	5.2	5.6	5.6	5.4
Occupational Therapists **	3.1	3.2	0.0	0.0	4.0	2.0	2.0	0.0
Instructional Coaches	10.0	10.0	10.0	11.0	8.5	0.5	0.5	0.5
Case Managers	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5
Counselors	13.5	14.8	14.5	13.5	13.5	13.5	13.5	13.5
Media Specialists	12.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0
Mental Health Specialist *	4.0	4.0	4.0	0.0	1.0	0.0	0.0	0.0
Secretarial	44.5	45.0	45.5	44.0	44.0	43.5	43.5	44.5
Aides	26.5	26.0	25.5	24.5	22.5	21.5	21.5	21.0
Substitute Caller	0.0	0.5	0.0	1.5	1.5	1.0	1.0	1.0
Hall Monitor/Security	5.0	5.0	5.0	5.0	2.0	2.0	2.0	2.0
Technology**	3.0	11.0	3.0	3.0	4.0	4.0	4.0	4.0
Cooks/Kitchen Aides	49.0	49.0	49.0	51.0	52.0	51.0	51.0	51.0
Custodial	40.0	40.0	44.0	44.0	37.5	44.0	44.0	42.0
Maintenance	10.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0
Grounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bus Drivers	48.0	48.0	44.0	46.0	44.0	45.0	44.0	43.0
Mechanics	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total	814.7	818.0	815.2	781.3	785.1	773.7	766.1	765.1

Note: *-Hired Through Franklin County Educational Services

** 8 were reclassified to the Admin. Specialists/Manager Category

Source: School District Records

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

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

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

School District Facilities Statistics

<u>Name of Building</u>	<u>Building Total</u> <u>Sq. Feet</u>	<u>Grades</u>	<u>Enrollment</u> <u>FY2011</u>	<u>Capacity</u>	<u>No. of Classroom</u> <u>Teachers</u>	<u>Pupil/</u> <u>Teacher</u> <u>Ratio*</u>	<u>Year Building</u> <u>Completed</u>	<u>Date of</u> <u>Additions</u>
Blacklick Elementary	53,000	K-5	441	500	19	23:1	1994	None
Chapelfield Elementary	46,940	K-5	442	500	21	21:1	1968	1991
Goshen Lane Elementary	50,115	K-5	392	500	19	20:1	1966	1990
High Point Elementary	55,000	K-5	482	500	20	24:1	1988	1992
Jefferson Elementary	60,054	K-5	517	500	24	22:1	1950	1953-99
Lincoln Elementary	45,020	K-5	439	500	19	23:1	1957	1931-68-91
Royal Manor Elementary	60,565	K-5	412	500	20	21:1	1965	1990
Middle School East	77,250	6-8	506	700	22	23:1	1975	1999
Middle School South	80,000	6-8	542	700	24	23:1	1992	None
Middle School West	88,200	6-8	611	700	27	23:1	1966	1969
Lincoln High School	432,200	9-12	2,291	2400	130	18:1	A Bldg. 1063 B Bldg. 1927 C Bldg. 1954	1968-81-95 1949-87-95 1956-68-99
Total			7,075	8,000	345			

Source: School District Records

GAHANNA-JEFFERSON PUBLIC SCHOOL DISTRICT

HISTORICAL ENROLLMENTS BY GRADE

GRADE	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
K	470	502	442	457	388	368	410	400	457	416	444	449	492	492
1	541	501	523	484	506	432	429	469	439	512	485	484	489	507
2	566	537	505	523	498	533	455	441	482	477	545	547	486	480
3	554	584	521	504	516	493	519	491	443	482	491	494	521	529
4	537	546	573	552	508	532	521	532	522	464	517	514	499	508
5	545	537	539	566	536	528	556	534	556	547	483	481	599	609
6	559	555	561	564	588	557	565	581	563	569	569	571	546	558
7	582	547	541	570	566	618	559	586	590	594	586	595	562	565
8	573	576	563	566	556	583	640	557	580	602	609	606	522	536
9	549	593	632	627	592	572	607	694	555	622	603	617	589	602
10	453	492	494	530	562	547	530	580	648	516	573	575	622	579
11	439	375	395	432	449	469	474	475	523	576	524	550	540	460
12	394	450	406	436	438	471	464	479	508	542	535	592	590	502
CAREER CENTER	90	77	101	92	119	104	107	74	60	78	72	72	85	148
TOTALS	6,852	6,872	6,796	6,903	6,822	6,807	6,836	6,893	6,926	6,997	7,036	7,147	7,142	7,075

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

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

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

For the year ended June 30, 2011

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

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson Public School District, Franklin County, (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 13, 2011, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-01 and 2011-02.

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

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

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

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

Kennedy Cottrell Richards LLC

December 13, 2011

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

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

To the Board of Education:

Compliance

We have audited the compliance of Gahanna-Jefferson Public School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

The District's basic financial statements include the operations of Gahanna Community School, a component unit of Gahanna-Jefferson Public School District, which received \$251,421 in federal awards, which is not included in the District's Federal Awards Expenditure Schedule for the year ended June 30, 2011. Our audit of Federal awards, described below, did not include the operations of Gahanna Community School because the component unit expended less than \$500,000 of Federal awards for the year ended June 30, 2011, thus it was not subject to OMB Circular A-133 audit requirements.

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

In our opinion, the Gahanna-Jefferson Public School District, Franklin County, Ohio complied, in all material respects, with the requirements referred to above applicable to each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists these instances as Findings 2011-03 and 2011-04.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies, described in the accompanying schedule of findings as items 2011-03 and 2011-04. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We also noted matters involving federal compliance or internal control over compliance not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 13, 2011.

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

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

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Gahanna-Jefferson Public School District, Franklin County, Ohio, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 13, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Kennedy Cottrell Richards LLC
December 13, 2011

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

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Grant	Federal				
Program Title	Year(s)	CFDA	Receipts	Receipts	Disbursements	Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	2011	10.553	\$ 113,853	\$ 10,871	\$ 113,853	\$ 10,871
National School Lunch Program	2011	10.555	568,448	97,836	568,448	97,836
Total Nutrition Cluster			<u>682,301</u>	<u>108,707</u>	<u>682,301</u>	<u>108,707</u>
Total U.S. Department of Agriculture			<u>682,301</u>	<u>108,707</u>	<u>682,301</u>	<u>108,707</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Title I Cluster						
Title I Grants to Local Educational Agencies	2010/2011	84.010	558,494	-	602,582	-
ARRA - Title I Grants to Local Educational Agencies	2010/2011	84.389	28,775	-	50,580	-
Total Title I Cluster			<u>587,269</u>	<u>-</u>	<u>653,162</u>	<u>-</u>
Special Education Cluster						
Special Education Grants to States	2010/2011	84.027	1,326,499	-	1,482,514	-
ARRA - Special Education Grants to States	2010/2011	84.391	1,023,280	-	1,160,201	-
Total Special Education Cluster			<u>2,349,779</u>	<u>-</u>	<u>2,642,715</u>	<u>-</u>
Safe & Drug Free School Communities State Program	2010	84.186	1,955	-	1,371	-
Foreign Language Assistance	2011	84.293	111,941	-	124,949	-
Education Technology State Grants	2010/2011	84.318	1,647	-	6,838	-
Title III	2010/2011	84.365	21,068	-	22,116	-
Improving Teacher Quality State Grants	2010/2011	84.367	80,737	-	97,628	-
ARRA - State Fiscal Stabilization Fund – Education State Grants	2010/2011	84.394	888,757	-	898,656	-
Total U.S. Department of Education			<u>4,043,153</u>	<u>-</u>	<u>4,447,435</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION						
<i>Passed Through Ohio Department of Transportation</i>						
Safe Routes to School		20.205	-	-	9,627	-
Total U.S. Department of Transportation			<u>-</u>	<u>-</u>	<u>9,627</u>	<u>-</u>
Total			<u>\$ 4,725,454</u>	<u>\$ 108,707</u>	<u>\$ 5,139,363</u>	<u>\$ 108,707</u>

The accompanying notes are an integral part of this schedule.

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

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

JUNE 30, 2011

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program(s) that benefitted from the use of those donated food commodities.

NOTE E – TRANSFERS

The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30th and spent by September 30th). However, with ODE's approval, a District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. During fiscal year 2011, the Ohio Department of Education (ODE) authorized the follow transfers:

CFDA Number	Program Title	Grant Year	Transfers Out	Transfers In
84.391	ARRA - Special Education Grants to States	2010	\$4,640	
84.391	ARRA - Special Education Grants to States	2011		\$4,640
84.365	Title III	2010	942	
84.365	Title III	2011		962
84.367	Improving Teacher Quality State Grants	2010	2,541	
84.367	Improving Teacher Quality State Grants	2011		2,541
			<u>\$8,123</u>	<u>\$8,123</u>

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

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

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

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

2011-01 Compliance – Restriction Upon Expenditures and Certifying Adequate Revenues

Ohio Revised Code Section 5705.412 requires, in part, no school district shall adopt any appropriation measure, make any qualifying contract, or increase during any school year any wage or salary schedule unless there is attached thereto a certificate, signed by the treasurer and president of the board of education and the superintendent, that the school district has in effect the authorization to levy taxes including the renewal or replacement of existing levies which, when combined with the estimated revenue from all other sources available to the district at the time of certification, are sufficient to provide the operating revenues necessary to enable the district to maintain all personnel and programs for all the days set forth in its adopted school calendars for the current fiscal year and for a number of days in succeeding fiscal years equal to the number of days instruction was held or is scheduled for the current fiscal year, as follows:

- (1) A certificate attached to an appropriation measure under this section shall cover only the fiscal year in which the appropriation measure is effective and shall not consider the renewal or replacement of an existing levy as the authority to levy taxes that are subject to appropriation in the current fiscal year unless the renewal or replacement levy has been approved by the electors and is subject to appropriation in the current fiscal year.
- (2) A certificate attached, in accordance with this section, to any qualifying contract shall cover the term of the contract.
- (3) A certificate attached under this section to a wage or salary schedule shall cover the term of the schedule.

During our testing, we noted the District did not issue the required 412 certificate for a qualifying contract with Oakstone Academy. The total amount of the contract was \$687,500. The District's five-year forecast properly reflected this amount.

We recommend the District implement procedures to ensure 412 certificates are issued for all of the items described as required by Ohio Revised Code Section 5705.412.

Official's Response

Upon Board approval of contracts services, the secretary to the treasurer will issue a 412 certificate as required by the Ohio Revised Code 5705.412.

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

2011-02 Compliance: Negative Fund Balances

Ohio Revised Code Section 5705.10(H) provides, in part, money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund

However, Ohio Rev. Code section 3315.20 provides an allowable exception for school districts. A school district may have a deficit in any special fund of the school district, but only if all of the following conditions are satisfied:

- (1) The school district has a request for payment pending with the state sufficient to cover the amount of the deficit [R.C. § 3315.20(A)]
- (2) There is a reasonable likelihood that the payment will be made [R.C. § 3315.20(A)]
- (3) The unspent and unencumbered balance in the school district's general fund is greater than the aggregate of deficit amounts in all of the school district's special funds. [R.C. § 3315.20(B)]

On March 30, 2011, the Special Education Fund (516) had a negative fund balance of \$345,758 and did not meet all of the conditions noted above. We also noted several other insignificant negative fund balances throughout fiscal year 2011 that did not meet all of the conditions noted above. The District eliminated all negative fund balances by June 30, 2011.

We recommend the District implement procedures capable of preventing future instances of noncompliance. The District should consider advancing funds on an as needed basis to cover the negative balances.

Official's Response

The District will review if there is a cash request payment pending for each of the month end negative fund balance and if there isn't , the District will create one or will submit a transfer of funds for those negative balance that are reimbursable at the end of project.

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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CFDA Title and Number	<u>Title 1 Cluster</u> Grants to Local Education Agencies – CFDA 84.010
Grant Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2011-03

Significant Deficiency/Noncompliance: Eligibility - Allocation of Funds to Schools - Title I

34 C.F.R. Section 200.78(a) requires that a Local Educational Authority (LEA) must allocate funds under Title I subpart A to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the Elementary and Secondary Education Act (ESEA), in rank order on the basis of the total number of children from low-income families in each area or school.

For the fiscal year 2011 grant, overspending occurred in the following District schools that received allocations under the Title I grant:

<u>School</u>	<u>Total Expenditures</u>	<u>Budgeted Allocation</u>	<u>Variance</u>	<u>% of Allocation Spent</u>
Royal Manor Elementary School	\$ 201,396	\$ 157,050	\$ 44,346	128%
Goshen Lane Elementary School	262,169	197,514	64,655	133%

All eligible and participating schools identified under section 1113(a) or (b) of the Elementary and Secondary Education Act (ESEA) qualified and operated a school-wide program. During our testing, we were able to verify all fiscal year 2011 grant expenditures were spent at eligible and participating schools. We also were able to determine that the other eligible and participating school (Gahanna West Middle School) had sufficient allowable expenditures to cover the overspending at the other two schools. The allocation error was a result of the District's failure to properly budget the allocation by building.

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

**Significant Deficiency/Noncompliance: Eligibility - Allocation of funds to schools - Title I
(Continued)**

We recommend the District implement procedures, such as detailed budgets and planning of activities at the school level, to prevent overspending at the school building level and to ensure that schools are served in rank order.

Officials Response

Due to transitioning a new Title I administrators, some of the procedures in the budget detail were implemented because of the lack of knowledge from the new administrator. However, we will make sure that all building allocations are spent in the rank order as submitted in the application.

CFDA Title and Number	<u>Title 1 Cluster</u> ARRA - Grants to Local Education Agencies – CFDA 84.389 <u>Special Education Cluster</u> ARRA - Grants to States (Idea, Part B) – CFDA 84.391 ARRA - State Fiscal Stabilization Fund – Education State Grants – CFDA: 84.394
Grant Year	2011
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education
Finding Number	2010-04

Significant Deficiency/Noncompliance: Reporting

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

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

SCHEDULE OF FINDINGS

JUNE 30, 2011

Significant Deficiency/Noncompliance: Reporting (Continued)

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

During our testing, we noted the District did not submit the required 1512 reports for the quarter ending 12/31/10. Also, the District did not report Apple Computer as a vendor whom received a single payment in excess of \$25,000 from the ARRA - State Fiscal Stabilization Fund – Education State grant on the 1512 reports.

We recommend that the District implement control procedures to ensure all required reports are accurate and are submitted to the appropriate parties by the required dates.

Officials Response

The District will print detailed quarterly financial expense reports as opposed to the summary reports to identify those vendors paid over \$25,000 with ARRA funds and will assure that the quarterly reports are submitted to the appropriate parties by the appropriate dates.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-01	Controls over the preparation of materially correct financial statements need to be improved.	Yes	
2010-02	ARRA – Special Education Grants to States: Unallowable Expenditures	Yes	
2010-03	Special Education Grants to States: Level of Effort – Maintenance of Effort	Yes	
2010-04	Special Education Cluster and Title I Cluster: Maintaining proper supporting documentation for payroll charges.	Yes	
2010-05	Special Education Cluster and Title I Cluster: Spending federal funds on a timely basis.	Yes	
2010-06	ARRA – Special Education Grants to States and ARRA – Title I: 1512 Reporting	No	Not Corrected. Repeated as 2011-04

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

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

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

1. In our report dated December 15, 2010, we noted the Board adopted an anti-harassment policy on August 11, 2008. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on December 9, 2010. We read the amended policy, noting it still does not include the following requirements listed in Ohio Rev. Code 3313.666.
 - (1) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Kennedy Cottrell Richards LLC

December 13, 2011



Dave Yost • Auditor of State

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 24, 2012**