

# Comprehensive Annual Financial Report

Fiscal Year ending June 30, 2016



Pickerington  
SCHOOLS  
/ EDUCATING FOR TOMORROW





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian & Grube, Inc., for the audit period July 1, 2015 through June 30, 2016. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Finding for Recovery – Repaid Under Audit**

The building secretary at Tussing Elementary has many duties, one of which being the responsibility to collect and receive monies from others within the Elementary and ensure those monies are safeguarded and deposited with the Treasurer in accordance with District policy and Ohio law.

The library at the Elementary collects monies for lost or damaged books and turns those monies into the building secretary as collected. The building secretary signs the library pay-in attesting to receipt of the monies. For fiscal year 2016, the secretary signed pay-ins attesting to receiving \$596 from the librarian; however, only \$60 was deposited with the District Treasurer and posted to the accounting ledgers. The remaining \$536 is unaccounted for.

Each year, the Elementary holds an Orientation Night, at which the parents have the opportunity to pay their students fees for the year. At the end of the night, the duplicate receipt book, student fee statements and any corresponding payments received were boxed up and turned over to the building secretary for deposit with the District Treasurer. At a certain point during the year, collection efforts are made by the Elementary for any student fees not collected and parents are given the opportunity to provide proof of payment. One parent provided a duplicate receipt from Orientation Night showing the fees were paid in cash, totaling \$21. This money was never deposited to the District Treasurer nor posted to the District's accounting ledgers.

Ohio Rev. Code § 117.28 requires the Auditor of State to issue a Finding for Recovery when "an audit report sets forth that any public money collected has not been accounted for. In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies collected but not accounted for is hereby issued against Betty Stewart, Tussing

Board of Education  
Pickerington Local School District  
90 N. East Street  
Pickerington, Ohio 43147  
Page 2

Elementary Building Secretary, in the amount of \$557, and in favor of the Pickerington Local School District's General Fund, in the amount of \$557.

The Finding for Recovery was repaid on April 8, 2017 in the amount of \$157, April 10, 2017 in the amount of \$100, and on April 12, 2017 in the amount of \$300 by anonymous donors.

We recommend the District review their internal control procedures regarding the collection and accountability of monies. We also recommend that individual schools within the District be monitored to ensure expected receipts are deposited and posted to the accounting ledgers on a regular basis.

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



Dave Yost  
Auditor of State

May 2, 2017

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF THE

PICKERINGTON LOCAL  
SCHOOL DISTRICT  
PICKERINGTON, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY  
TREASURER'S DEPARTMENT  
RYAN JENKINS, TREASURER

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# INTRODUCTORY SECTION

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**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

**I. INTRODUCTORY SECTION**

Table of Contents.....	I 1-4
Letter of Transmittal.....	I 5-13
Elected Officials and Administrative Staff.....	I 14
Organizational Chart.....	I 15
Certificate of Achievement for Excellence in Financial Reporting.....	I 16

**II. FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT.....	F 1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	F 3-16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position.....	F 17
Statement of Activities.....	F 18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	F 19
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	F 20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	F 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F 22-23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	F 24
Statement of Net Position - Proprietary Fund.....	F 25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	F 26
Statement of Cash Flows - Proprietary Fund.....	F 27
Statement of Assets and Liabilities - Fiduciary Funds.....	F 28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	F 29
Notes to the Basic Financial Statements.....	F 30-72

Required Supplementary Information:

Schedule of the District's Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio .....	F 73
State Teachers Retirement System (STRS) of Ohio .....	F 74
Schedule of District Contributions:	
School Employees Retirement System (SERS) of Ohio .....	F 75 - 76
State Teachers Retirement System (STRS) of Ohio .....	F 77 - 78
Notes to Required Supplementary Information .....	F 79

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Major Fund Descriptions.....	F 80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - District Debt Service .....	F 81
Combining Balance Sheet - Nonmajor Governmental Funds .....	F 82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	F 83
Fund Descriptions - Nonmajor Special Revenue Funds.....	F 84-85
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	F 86-88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	F 89-92
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Special Revenue Funds:	
Food Services .....	F 93
School Trusts .....	F 93
Facilities Maintenance.....	F 93
Student Activity.....	F 94
Data Communication.....	F 94
Summer School Subsidy.....	F 94
Alternative Schools.....	F 95
Straight A .....	F 95
Miscellaneous State Grants .....	F 95
Race to the Top.....	F 96
IDEA - B.....	F 96
Title III .....	F 96
Title I .....	F 97
IDEA Preschool Grant .....	F 97
Title VI - R .....	F 97
Miscellaneous Federal Grant.....	F 98
Nonmajor Governmental Funds included in the General Fund on GAAP basis:	
Uniform School Supplies.....	F 98
Public School Support .....	F 98
Other Local Grants .....	F 99
Termination Benefits .....	F 99
Fund Description - Nonmajor Debt Service Fund.....	F 100

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES – (Continued):

Schedule of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -

Library Debt Service .....	F 101
Fund Descriptions - Nonmajor Capital Project Funds.....	F 102
Combining Balance Sheet - Nonmajor Capital Project Funds .....	F 103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds .....	F 104
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Nonmajor Capital Project Funds:	
Permanent Improvement.....	F 105
Building.....	F 105
Fund Description - Proprietary Fund.....	F 106
Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Self Insurance .....	F107
Fiduciary Funds - Fund Descriptions .....	F 108
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Fiduciary Fund:	
Endowment.....	F 109
Statement of Changes in Assets and Liabilities – Agency Funds:	
District Agency.....	F 110
Student Activity.....	F 110

**III. STATISTICAL SECTION**

Table of Contents.....	S 1
Net Position by Component - Last Ten Fiscal Years .....	S 2-3
Changes in Net Position - Last Ten Fiscal Years .....	S 4-9
Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	S 10-11
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	S 12-15
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	S 16-17
Direct and Overlapping Property Tax Rates – Last Ten Years .....	S 18-19
Principal Property Tax Payers – December 31, 2015 and December 31, 2006 .....	S 20
Property Tax Levies and Collections - Last Ten Fiscal Years.....	S 21
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	S 22
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years.....	S 23

Direct and Overlapping Governmental Activities Debt - As of June 30, 2016.....	S 24
Legal Debt Margin Information - Last Ten Fiscal Years .....	S 25
Demographic and Economic Statistics - Last Ten Fiscal Years .....	S 26
Principal Employers – Current Year and Nine Years Ago .....	S 27
Staffing Statistics, Full Time Equivalents by Type and Function -Last Ten Fiscal Years.....	S 28
Operating Indicators by Function - Last Ten Fiscal Years .....	S 29
Capital Asset Statistics - Last Ten Fiscal Years .....	S 30-31
School Building Information - Last Ten Fiscal Years .....	S 32-33
Educational Indicators - Last Ten Fiscal Years .....	S 34
Operating Statistics - Last Ten Fiscal Years.....	S 35

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January 6, 2017

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

As the Treasurer of the Pickerington Local School District (the “District”), I am pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. The CAFR for the fiscal year ended June 30, 2016 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

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

The basic financial statements of the District for the fiscal year ended June 30, 2016, were audited by Julian and Grube, whose opinion thereon is included at the beginning of the Financial Section of this report.

In addition to the financial audit, a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The single audit report is not included in the CAFR. This transmittal letter is designed to provide historical information about the District, as well as complement the required Management’s Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A).

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

#### PROFILE OF THE DISTRICT

The District originated in the late 1800’s, built its first building in 1907, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is located in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, three middle schools, and seven elementary schools as of June 30, 2016. The District had approximately 10,200 students enrolled during the 2015-2016 school year.

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

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

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

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

#### Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

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

#### Budgetary Controls:

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

#### Instructional Organization:

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

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

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

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

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

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

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

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

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

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

#### STUDENT ACHIEVEMENT

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# 2015 - 2016 Report Card for Pickerington Local School District

**DISTRICT GRADE**  
**Coming in  
2018**

*Achievement, Progress, and Third Grade Reading Guarantee data subject to change due to local reporting error. Contact district for more information.*



### Achievement

The Achievement component represents the number of students who passed the state tests and how well they performed on them.

Performance Index  
75.4%..... **C**  
Indicators Met  
51.7%..... **D**

**COMPONENT GRADE**  
**C**



### Progress

The Progress component looks closely at the growth that all students are making based on their past performances.

Value-Added  
Overall..... **F**  
Gifted..... **F**  
Students with Disabilities..... **D**  
Lowest 20% in Achievement..... **C**

**COMPONENT GRADE**  
**D**



### Gap Closing

The Gap Closing component shows how well schools are meeting the performance expectations for our most vulnerable populations of students in English language arts, math and graduation.

Annual Measurable Objectives  
40.7%..... **F**

**COMPONENT GRADE**  
**F**



### Graduation Rate

The Graduation Rate component looks at the percent of students who are successfully finishing high school with a diploma in four or five years.

Graduation Rates  
96.8% of students graduated in 4 years..... **A**  
97.6% of students graduated in 5 years..... **A**

**COMPONENT GRADE**  
**A**



### K-3 Literacy

The K-3 Literacy component looks at how successful the school is at getting struggling readers on track to proficiency in third grade and beyond.

K-3 Literacy Improvement  
25.6%..... **D**

**COMPONENT GRADE**  
**D**



### Prepared for Success

Whether training in a technical field or preparing for work or college, the Prepared for Success component looks at how well prepared Ohio's students are for all future opportunities.

**COMPONENT GRADE**  
**C**

## MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

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

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

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

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

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

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

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

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

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

Technology has continued to advance and the District has made great strides in terms of enhancing instruction by updating existing technological equipment and infrastructure. The District has made a substantial financial commitment to improving the ability for students, teachers and staff to access our network with wireless communication devices (WCDs—iPads, iPods, Droids, etc.) in ways that enhance the instructional process.

Currently, the District is improving communications with parents by providing on-line access to student's academic progress. The District also has a listserv that is utilized by principals and the District Director of Communications to keep

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parents informed about District news and events. Teachers have technology web pages and are providing on-line information about homework assignments.

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

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

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

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

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

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

Comprehensive Continuous Improvement Plan: The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District: improving student achievement in reading and mathematics, specifically with regards to narrowing the gaps for the following subgroups: students with disabilities; socio-economic status; and racial or ethnic status; and, hiring of teachers who are highly qualified. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title VI-B (IDEA - Part B Special Education). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2013.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. During the latter half of fiscal year 2014 and throughout fiscal year 2015, the District was awarded nearly \$3.0 million in Straight A Grant funds to enhance STEM (Science, Technology, Engineering and Math) programming, in the fields of Engineering/Fabrication and Allied Health Pathways, and to enhance mathematical instruction. Furthermore, the Straight A Grant funds were also used to enhance Instructional Leadership practice. According to many studies, careers in STEM will be some of the most vital to our economy in the coming years. The District believes that this programming will ensure that many of its students are adequately prepared to successfully contribute to a highly technical 21<sup>st</sup> century economy. Subsequently, the District has redoubled its efforts to afford its students opportunities in these areas in fiscal 2016 by initiating a 1:1 student/technology device ratio. Over the next four (4) fiscal years, the District will be purchasing Chromebooks to provide to every student for daily use.

Special Education: The District's special education program provides a full continuum of services from kindergarten through 12th grade based on the individual needs of its 1,383 students on Individualized Education Programs (IEPs). Services are provided in all 14 buildings as well as programs outside of the district. These services range from inclusion support to homebound/hospitalization. Some low incidence classrooms are shared across the district requiring some students to be transported outside of their home building in order to receive the services that are offered in those classrooms. These would include resource rooms that typically serve multiple disabilities, emotional disturbance, and cognitive disabilities. The District supports these classrooms through smaller class sizes (based on State requirements), intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 32 low incidence classrooms that either service the buildings in which they are located or are shared across the District. Each

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building has at least one special education cross-categorical teacher that serves identified students in the building. Students in special education resource rooms receive a range of services from instruction in a content area to supporting classroom teachers by addressing specific skill deficits a student may have. The District also offers inclusion support in many buildings with its special education teachers. These teachers support and co-teach with regular education teachers in the general education setting without pulling the IEP students from the classroom. Pickerington has 87 teachers that provide cross-categorical resource room services, inclusion support in the regular classroom, or a combination of both.

These classrooms are supported by a well-experienced related services and support staff consisting of six school psychologists, nearly 13 speech therapists, 2 occupational therapists, one adaptive physical education teacher, one physical therapist, one assistive technology/visual impairment teacher, one academic/behavior coach, a work-study coordinator, and 68 teaching aides and instructional paraprofessionals. Some additional services are contracted with other agencies as well. All these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by five special education administrators. A special education director oversees all the programs at the district level. Three special education secretaries maintain the special education records and enter critical information into the Education Management Information System (EMIS).

The District contracts with the Fairfield County Educational Service Center to provide special education services to about 120 preschoolers with disabilities. The preschool classrooms may serve up to eight special needs and four typical students in each classroom. The services for preschoolers may be center-based or itinerate based on the needs of the 3-5 year old students. The center-based program supports the students with a variety of related services.

#### ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

Representing 47.2% of general fund revenue, Unrestricted Grants in Aid (a.k.a. State Foundation) is the most critical piece of funding for the District. Similar to the expiring funding formula, the current formula relies heavily on the property valuation per pupil to calculate the state share of formula revenue. This local valuation per pupil is compared to the state average valuation per pupil, and the ratio of these two figures becomes the Valuation Index. A similar calculation is done which computes the ratio of the District's Median Income to the State Median Income, and the resulting calculation is called the District Income Index. For FY16, PLSD's Valuation Index is .7847, meaning that local valuation per pupil is only about 78.47% of the state average valuation per pupil. Additionally, PLSD's Income Index is 1.40, which means that

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

District Median Incomes are about 40% higher than the State Median Income. But because the formula only uses the Income Index to help districts get more state funding, and doesn't use the Income Index to reduce funding due to increased local capacity, only the Valuation Index is used to drive PLSD's state share. Consequently, the state share of formula funding is about 58.39% in FY16. Per the biennium budget, the SSI will stay at 58.39% in FY17. If the funding formula stays the same after FY17, it could rise as high as 60% by the next biennium.

Moreover, another significant piece of the funding formula is Targeted Assistance. This funding computes Local Wealth Per Pupil, using valuation per pupil and federal adjusted gross income per pupil in equal portions. The total Local Wealth Per Pupil is then compared to the Statewide Local Wealth Per Pupil to compute yet another index (the Targeted Assistance Wealth Index). This index is used in conjunction with the Statewide Threshold Local Wealth Per Pupil to add 6 mills of funding times the valuation shortfall from the Threshold, adjusted by the Targeted Assistance Wealth Index, to those schools whose local wealth falls below the threshold wealth value. Because the calculation relies 50% on property valuation, this funding source adds over \$5M in funding to the formula for PLSD.

The forecasted enrollment figures for FY15 were almost 100 students lower than the actual preliminary enrollment numbers for PLSD for the 15-16 school year. Adding an additional 100 students in FY16 caused each succeeding school year to be about 100 students higher than originally forecasted. Because the District is 'on the formula,' each additional student drives about \$3,540 additional state dollars in FY16, and about \$3,600 additional state dollars in FY17 (60% of the state formula per pupil amounts in each year). This has significantly increased the state funding forecasted for the next 5 fiscal years.

As noted, the District experienced tremendous student population growth during the most recently completed decade (2000-2010), but has experienced a 'leveling-off' over the past couple of years. With the effects of the Great Recession finally beginning to wear off as it relates to housing development, it will be critical for the District to continue to monitor housing growth in the district, especially in light of how student population is so impactful on state formula aid.

In June of 2016, District management met with Moody's to secure rating for a bond refunding. The District secured an Aa2 rating.

*The assignment of the Aa2 rating reflects the district's sizable, suburban tax base beneficially located within the [Columbus](#) (Aaa stable) metropolitan area. Also incorporated in the rating are the district's satisfactory financial operations which are expected to remain healthy over the medium-term, as well as the district's above average socioeconomic characteristics and flattening enrollment trends. Additionally factored are the district's above average debt burden, and elevated exposure to unfunded post-employment liabilities.*

### ***Credit Strengths***

- » *Suburban Columbus tax base with above average resident wealth levels*
- » *Relatively diverse operating revenues including income taxes*
- » *Satisfactory operating reserves expected to remain healthy over the medium-term*

### ***Credit Challenges***

- » *Flattening enrollment trends following a period of significant expansion*
- » *Above average debt levels due to heavy capital borrowing*
- » *Elevated exposure to unfunded post-employment liabilities*

### ***Rating Outlook***

*Outlooks are typically not assigned to local governments with this amount of debt.*

### ***Factors that Could Lead to an Upgrade***

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

» *Material tax base growth and/or strengthening of wealth indices*

» *Sustained trend of positive operations leading to increases in cash reserves that are maintained*

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

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

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

#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickerington Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Timothy "Ryan" Jenkins

Treasurer

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

**ELECTED OFFICIALS AND ADMINISTRATIVE STAFF**

JUNE 30, 2016

Board of Education Members

President  
Vice President  
Member  
Member  
Member

Ms. Lori Sanders  
Ms. Vanessa Niekamp  
Mr. Keith Kristoff  
Ms Cathy Olshefski  
Ms. Michelle Waterhouse

Appointed Officials

Superintendent  
Treasurer

Dr. Valerie Browning-Thompson  
Ryan Jenkins

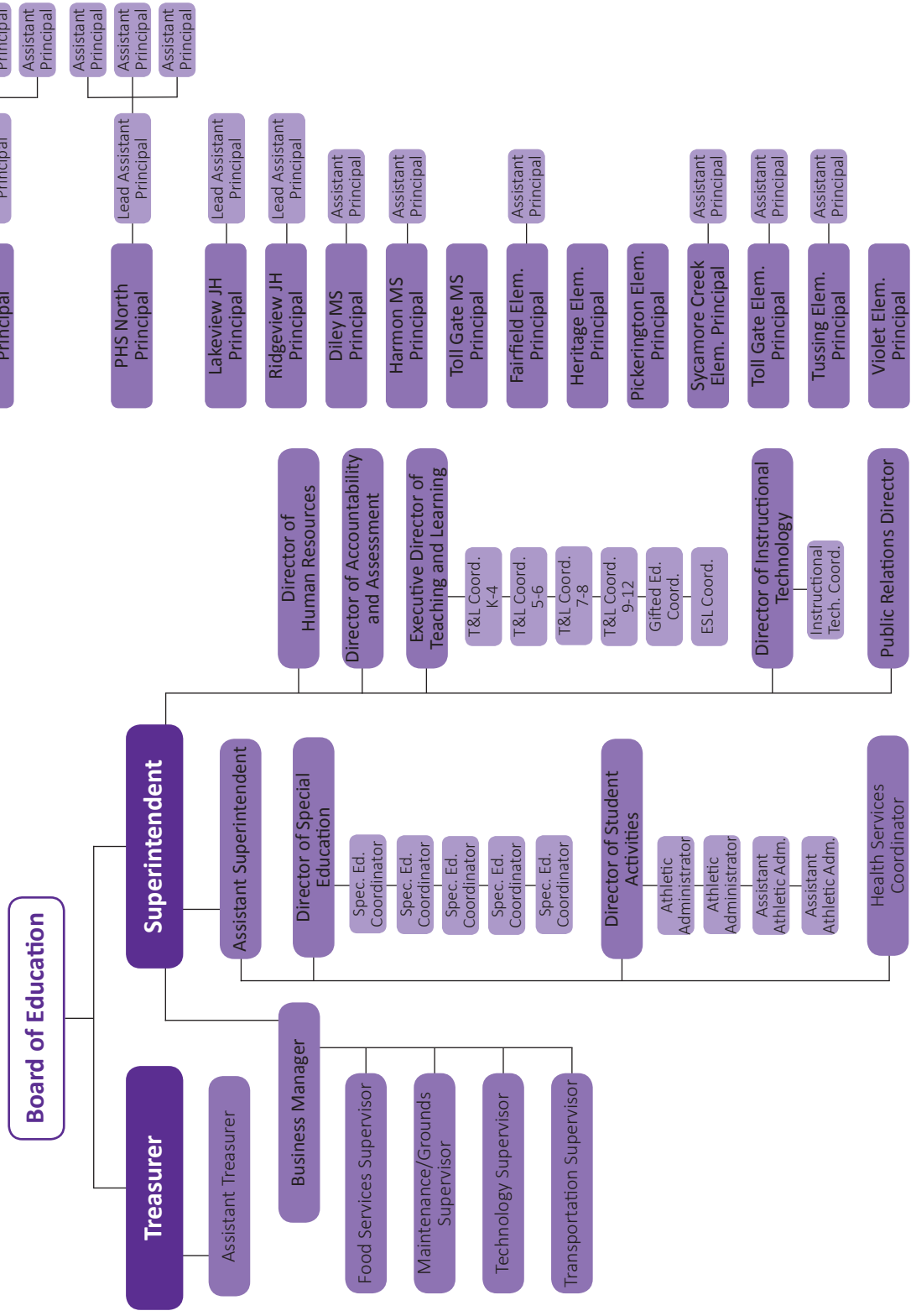
Administrative Staff

Assistant Superintendent  
Director of Human Resources  
Director of Student Services  
Assistant Treasurer  
Business Manager  
Principal, Pickerington High School North  
Principal, Pickerington High School Central  
Principal, Lakeview Junior High School  
Principal, Ridgeview Junior High School  
Principal, Diley Middle School  
Principal, Toll Gate Middle School  
Principal, Harmon Middle School  
Principal, Fairfield Elementary School  
Principal, Heritage Elementary School  
Principal, Pickerington Elementary School  
Principal, Tussing Elementary School  
Principal, Violet Elementary School  
Principal, Toll Gate Elementary School  
Principal, Sycamore Creek Elementary School

Bob Blackburn  
Debra Porter-Sawyer  
Mark Aprile  
Keltah Houser-Siders  
W. Vince Utterback  
Mark Ulbrich  
Stacy Tennenbaum  
Pam Bertke  
Eric Koch  
Heather Hedgepeth  
Kara Jackson  
Lee Ann Yoakum  
Ruth Stickel  
Jennifer Russell  
Melissa Moriarty  
Matt Dansby  
Becky Hornberger  
Kristi Motsch  
Nikki Arnold

**Organizational Chart**

February 8, 2016







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Pickerington Local School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

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**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

Independent Auditor's Report

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

To the Board of Education:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Pickerington Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of June 30, 2016, and the respective changes in financial position and cash flows thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the Pickerington Local School 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 information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are 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 information 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2017, on our consideration of the Pickerington Local School 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pickerington Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
January 6, 2017

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

The management's discussion and analysis of the Pickerington Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2016 are as follows:

- Net position of governmental activities increased \$10,050,945 which represents a 15.93% increase from 2015.
- General revenues accounted for \$118,593,400 in revenue or 87.36% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$17,157,970 or 12.64% for total revenues of \$135,751,370.
- The District had \$125,700,425 in expenses related to governmental activities; only \$17,157,970 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$118,593,400 were adequate to provide for these programs.
- The District's major governmental funds include the general fund and district debt service fund. The general fund had \$112,672,297 in revenues and other financing sources and \$105,724,086 in expenditures and other financing uses. During fiscal year 2016, the general fund's balance increased \$6,948,211 from a balance of \$23,667,828 to a balance of \$30,616,039.
- The district debt service fund had \$23,003,149 in revenues and other financing sources and \$22,824,718 in expenditures and other financing uses. The district debt service fund's balance increased \$178,431 from \$14,780,779 to \$14,959,210.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net position and statement of activities can be found on pages F 17 – F 18 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page F 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the district debt service fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F 19 – F 24 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance. The basic proprietary fund financial statements can be found on pages F25 – F27 of this report.

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages F28 and F29. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F 30 – F 72 of this report.

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages F 73 through F 79 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2016 and June 30, 2015.

	<b>Net Position</b>	
	Governmental Activities 2016	Governmental Activities 2015
<b><u>Assets</u></b>		
Current and other assets	\$ 119,075,480	\$ 111,303,476
Capital assets, net	<u>159,185,614</u>	<u>166,438,330</u>
Total assets	<u>278,261,094</u>	<u>277,741,806</u>
<b><u>Deferred outflows of resources</u></b>		
Unamortized deferred charges on debt refunding	5,255,674	5,050,929
Pension	<u>20,021,190</u>	<u>9,998,478</u>
Total deferred outflows of resources	<u>25,276,864</u>	<u>15,049,407</u>
<b><u>Liabilities</u></b>		
Current liabilities	14,447,761	14,653,806
Long-term liabilities:		
Due within one year	9,792,715	10,890,271
Due in more than one year:		
Net pension liability	157,731,775	134,087,110
Other amounts	<u>123,165,132</u>	<u>129,844,636</u>
Total liabilities	<u>305,137,383</u>	<u>289,475,823</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	41,552,384	41,916,963
Payments in lieu of taxes for the next fiscal year	125,136	139,767
Pension	<u>9,763,981</u>	<u>24,350,531</u>
Total deferred inflows of resources	<u>51,441,501</u>	<u>66,407,261</u>
<b><u>Net Position</u></b>		
Net Investment in capital assets	48,368,374	47,937,548
Restricted	12,874,772	12,892,373
Unrestricted (deficit)	<u>(114,284,072)</u>	<u>(123,921,792)</u>
Total net position (deficit)	<u>\$ (53,040,926)</u>	<u>\$ (63,091,871)</u>



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

During 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2016, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$53,040,926. At fiscal year-end, restricted net position was \$12,874,772.

At fiscal year-end, capital assets represented 57.21% of total assets. Capital assets include land, construction in progress, land and improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2016 was \$48,368,374. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$12,874,772, represents resources that are subject to external restriction on how they may be used. Of this amount, \$3,829,146 is restricted for capital projects, \$2,629,305 is restricted for classroom facilities maintenance and \$(114,284,072) which is the result of GASB Statement No. 68, as described in Note 13.

The table below shows the change in net position for fiscal years 2016 and 2015.

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2016</u>	<u>2015</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 5,929,785	\$ 5,995,235
Operating grants and contributions	11,228,185	12,743,950
General revenues:		
Property taxes	48,033,598	47,260,229
School district income taxes	16,422,435	15,672,186
Grants and entitlements not restricted	53,389,530	51,554,417
Payment in lieu of taxes	125,137	139,767
Investment earnings	400,335	202,166
Other	<u>222,365</u>	<u>183,618</u>
Total revenues	<u>135,751,370</u>	<u>133,751,568</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

<u>Expenses</u>	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2016</u>	<u>2015</u>
Program expenses:		
Instruction:		
Regular	\$ 50,113,119	\$ 52,583,534
Special	15,406,568	14,636,818
Vocational	575,131	374,565
Other	3,505,283	3,352,317
Support services:		
Pupil	6,493,988	6,330,512
Instructional staff	5,831,566	6,114,863
Board of education	679,391	811,526
Administration	8,105,447	7,614,934
Fiscal	2,079,635	2,019,426
Business	546,554	415,695
Operations and maintenance	11,285,198	11,069,229
Pupil transportation	6,046,787	5,848,200
Central	664,189	653,365
Operation of non-instructional services:		
Other non-instructional services	573,252	703,955
Food service operations	5,258,365	4,973,348
Extracurricular activities	2,562,454	2,498,975
Interest and fiscal charges	<u>5,973,498</u>	<u>6,233,371</u>
Total expenses	<u>125,700,425</u>	<u>126,234,633</u>
Change in net position	10,050,945	7,516,935
Net position at beginning of year	<u>(63,091,871)</u>	<u>(70,608,806)</u>
Net position at end of year	<u>\$ (53,040,926)</u>	<u>\$ (63,091,871)</u>

**Governmental Activities**

Net position of the District's governmental activities increased \$10,050,945. Total governmental expenses of \$125,700,425 were offset by program revenues of \$17,157,970 and general revenues of \$118,593,400. Program revenues supported 13.65% of the total governmental expenses.

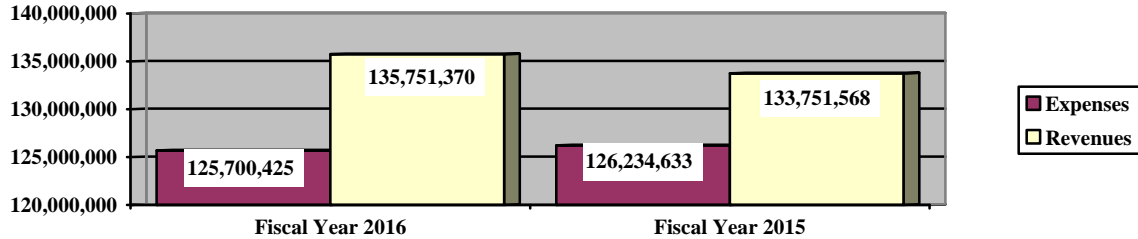
The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted and restricted grants and entitlements from the State of Ohio. These revenue sources represent 86.81% of total governmental revenue.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2016 and 2015.

**Governmental Activities - Revenues and Expenses**



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

**Governmental Activities**

	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 50,113,119	\$ 48,810,912	\$ 52,583,534	\$ 49,842,981
Special	15,406,568	8,232,036	14,636,818	7,538,058
Vocational	575,131	531,426	374,565	81,984
Other	3,505,283	3,302,618	3,352,317	3,352,317
Support services:				
Pupil	6,493,988	6,367,068	6,330,512	6,130,969
Instructional staff	5,831,566	5,495,400	6,114,863	5,360,962
Board of education	679,391	679,391	811,526	811,526
Administration	8,105,447	8,026,787	7,614,934	7,519,075
Fiscal	2,079,635	2,079,635	2,019,426	2,019,426
Business	546,554	546,554	415,695	415,695
Operations and maintenance	11,285,198	10,973,577	11,069,229	10,699,392
Pupil transportation	6,046,787	5,662,611	5,848,200	5,527,163
Central	664,189	664,189	653,365	653,365
Operations of non-instructional services:				
Other non-instructional services	573,252	(16,805)	703,955	136,170
Food service operations	5,258,365	425,824	4,973,348	580,504
Extracurricular activities	2,562,454	787,734	2,498,975	592,490
Interest and fiscal charges	<u>5,973,498</u>	<u>5,973,498</u>	<u>6,233,371</u>	<u>6,233,371</u>
<b>Total expenses</b>	<b>\$ 125,700,425</b>	<b>\$ 108,542,455</b>	<b>\$ 126,234,633</b>	<b>\$ 107,495,448</b>

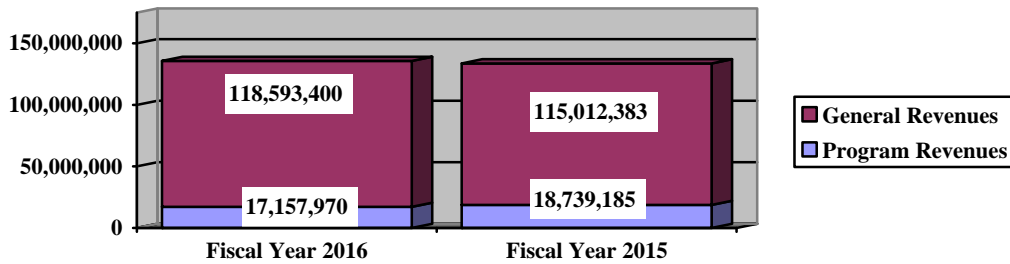
**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent, as 87.47% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 86.35%. The District's taxpayers and restricted and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2016 and 2015.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page F 19) reported a combined fund balance of \$54,167,112, which is more than last year's total of \$47,206,761. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2016 and June 30, 2015.

	Fund Balance June 30, 2016	Fund Balance June 30, 2015	Increase/ (Decrease)
General	\$ 30,616,039	\$ 23,667,828	\$ 6,948,211
Bond retirement	14,959,210	14,780,779	178,431
Other governmental	8,591,863	8,758,154	(166,291)
<b>Total</b>	<b>\$ 54,167,112</b>	<b>\$ 47,206,761</b>	<b>\$ 6,960,351</b>

**General Fund**

The following tables show the changes in revenues and expenditures in the general fund from 2016 and 2015.

	2016 Amount	2015 Amount	Increase/ (Decrease)	Percentage Change
<b>Revenues</b>				
Taxes	\$ 52,765,061	\$ 51,125,037	\$ 1,640,024	3.21 %
Tuition	521,867	551,526	(29,659)	(5.38) %
Earnings on investments	365,376	183,457	181,919	99.16 %
Intergovernmental	57,153,561	55,722,322	1,431,239	2.57 %
Other revenues	1,692,076	1,935,249	(243,173)	(12.57) %
<b>Total</b>	<b>\$ 112,497,941</b>	<b>\$ 109,517,591</b>	<b>\$ 2,980,350</b>	<b>2.72 %</b>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 62,817,847	\$ 63,116,940	\$ (299,093)	(0.47) %
Support services	38,557,911	37,914,107	643,804	1.70 %
Operation of non-instructional services	80,707	91,887	(11,180)	(12.17) %
Extracurricular activities	1,835,464	1,766,371	69,093	3.91 %
Facilities acquisition and construction	17,722	106,450	(88,728)	(83.35) %
Capital outlay	174,356	1,520,417	(1,346,061)	(88.53) %
Debt service	<u>1,490,079</u>	<u>1,430,010</u>	<u>60,069</u>	4.20 %
Total	<u>\$ 104,974,086</u>	<u>\$ 105,946,182</u>	<u>\$ (972,096)</u>	(0.92) %

Overall revenues of the general fund increased \$2,980,350 or 2.72%. The most significant increases were in the areas of interest revenues. Interest revenues increased \$181,919 due to an increase in investment during the fiscal year.

Expenditures of the general fund decreased \$972,096 or 0.92%. This decrease in expenditures is primarily due an decrease in capital outlay expenditures, due to less capital leases being acquired by the district in fiscal year 2016 than in prior fiscal year.

***District Debt Service Fund***

The District's district debt service fund balance increased \$178,431. This increase in fund balance is due to revenues exceeding the scheduled principal and interest payments on bonds exceeding revenues. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2016</u> <u>Amount</u>	<u>2015</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 11,572,572	\$ 11,933,107	\$ (360,535)	(3.02) %
Intergovernmental	<u>1,448,617</u>	<u>1,502,937</u>	<u>(54,320)</u>	(3.61) %
Total	<u>\$ 13,021,189</u>	<u>\$ 13,436,044</u>	<u>\$ (414,855)</u>	(3.09) %
<b><u>Expenditures</u></b>				
Support services	\$ 208,909	\$ 207,254	\$ 1,655	0.80 %
Debt service	<u>12,779,031</u>	<u>13,020,167</u>	<u>(241,136)</u>	(1.85) %
Total	<u>\$ 12,987,940</u>	<u>\$ 13,227,421</u>	<u>\$ (239,481)</u>	(1.81) %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2016, the District amended the general fund's budget. For the general fund, original revenues and other financing sources of \$103,953,738 remained the same for the final budgeted revenues and other financing sources. Actual revenues and other financing sources for fiscal year 2016 were \$110,123,781. This represents a \$6,170,043 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated.

General fund original appropriations (appropriated expenditures) totaled \$107,736,369. Final appropriations and other financing uses increased \$242,396 to a total of \$107,978,765. The actual budget basis expenditures for fiscal year 2016 totaled \$106,008,175, which was \$1,970,590 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2016, the District had \$159,185,614 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2016 balances compared to June 30, 2015.

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

	Governmental Activities	
	2016	2015
Land	\$ 9,185,480	\$ 9,185,480
Construction-in-progress	971,689	971,689
Land improvements	8,996,384	9,901,311
Building and improvements	136,852,772	143,107,191
Furniture and equipment	2,083,002	2,579,716
Vehicles	1,096,287	692,943
Total	\$ 159,185,614	\$ 166,438,330

The overall decrease in capital assets, net of depreciation, of 7,252,716 is due to depreciation expense of \$7,980,462 exceeding capital additions of \$727,746 for fiscal year 2016.

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

***Debt Administration***

At June 30, 2016, the District had \$118,937,071 in general obligation bonds. Of this total, \$8,205,297 is due within one year and \$110,731,774 is due in greater than one year. The District also had \$1,632,278 outstanding for a lease purchase agreements. Of this amount, \$867,172 is due within one year and \$765,106 is due in greater than one year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

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

**Outstanding Debt, at Year End**

	Governmental Activities <u>2016</u>	Governmental Activities <u>2015</u>
General obligation bonds	\$ 118,937,071	\$ 126,190,997
Lease purchase agreement	<u>1,632,278</u>	<u>2,866,287</u>
<b>Total</b>	<b><u>\$ 120,569,349</u></b>	<b><u>\$ 129,057,284</u></b>

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

**Current Financial Related Activities**

The District has continued to maintain the highest standards of service to students, parents, and community. The District is always presented with challenges and opportunities, which include the increasing demands of State and federal mandates such as the Every Student Succeeds Act (ESSA); the implementation of the national Common Core standards; the implementation of the new Ohio Teacher Evaluation System (OTES); and the implementation of the new Ohio Principal Evaluation System (OPES).

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

As in past years, the District still depends heavily upon state funding, which comprised 47.2% (for the 2015-2016 school year) of total District general fund revenue. In the spring of 2015, the 131<sup>st</sup> Ohio General Assembly passed HB64, the new biennial budget for fiscal years 2016 and 2017. The Governor signed the budget in July of 2015. Similar to HB59 (the budget bill enacted by the 130<sup>th</sup> Ohio General Assembly covering fiscal years 2014 and 2015), HB64 provides fairly substantial increases to state funding over the 2016-2017 biennium. The District is forecasting a total increase of \$2.32 million in total state formula funding over the 2016-2017 biennium. As in past school funding formulas, the new funding formula enacted by HB64 relies heavily on the Valuation Index (the total valuation per pupil in the District as compared to the average total valuation per pupil for the entire state of Ohio). Due in large part to the drastic growth of student population in the most recently completed decade (2000-2010), and because the District's property base is almost 90% residential/agricultural property values, PLSD's Valuation Index is forecasted to increase the state's share of District formula aid to over 60%, which results in year-over-year state aid increases of nearly \$1.729 million in the first year of the biennial budget (2015-2016 school year over the 2014-2015 school year), and \$589,281 in the second year of the biennial budget (2016-2017 school year over the 2015-2016 school year). It will be critical for the District to continue to monitor and analyze this vitally important revenue stream.

As noted, Pickerington experienced tremendous student population growth during the most recently completed decade (2000-2010), but has experienced a 'leveling-off' over the past couple of years. With the effects of the Great Recession finally having subsided, it will be critical for the District to continue to monitor housing growth in the District, especially in light of how student population is so impactful on state formula aid. Based on current information being provided by the City of Pickerington and Violet Township, there are potentially 1,000 new single-family dwellings in various stages of planning/development that could exist within the next 5-7 years.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

The District also completed negotiations with each of its bargaining units (the Pickerington Education Association, and the Pickerington Support Staff Association) in the summer of 2015. The District agreed to the following wage increases with each bargaining unit:

- Pickerington Education Association, three (3) year contract—2015-2016, 2.75% base increase; 2016-2017, 2.25% base increase; 2016-2017, 2.25% base increase.
- Pickerington Support Staff Association, two (2) year contract—2015-2016, 3% base increase; 2016-2017, 2% base increase.

The District also achieved savings in health care costs by moving all employees to a 20% contribution (up from 15%) towards health insurance premiums. Though this does help to mitigate Board costs towards premiums, the overall cost (employee plus employer share) of health insurance continues to rise.

Technology has continued to advance and the District has made great strides in terms of enhancing instruction by updating existing technological equipment and infrastructure. Due to the aforementioned increases in state funding, the District has made a substantial financial commitment to improving the ability for students, teachers and staff to access our network with wireless communication devices (WCDs—iPads, iPods, Droids, etc.) in ways that enhance the instructional process.

Over the past 8-10 years, District voters have also been very supportive of the District's operational and capital needs. The following levy history provides the reader with insight into how that support has manifested itself at the ballot box:

- The District passed a 5 mill replacement levy on November 6, 2007, for a continuing period of time. The tax collections, which began January 2009, are used for current operating expenses.
- On March 4, 2008, District voters approved a 7.9 mill renewal levy, for a continuing period of time. The levy commenced in tax year 2009 with collections beginning January 2010. The levy proceeds are used for current operating expenses.
- In May 2009, District residents approved the extension of a 0.5 mill classroom facilities maintenance levy. This levy generates approximately \$400,000 per year, which is restricted for the maintenance of the District's facilities. The renewal of this levy enabled the District to qualify for over \$50 million in state funds from the Ohio School Facilities Commission. These funds are being used to renovate the District's five oldest school buildings.
- On November 2, 2010, voters narrowly defeated a replacement operating levy of 8 mills, which would have resulted in a 6.84 mill increase. The levy would have generated approximately \$7.6 million per year. The levy was needed by the District due to state and local revenue losses and increasing costs.
- On August 2, 2011, District voters approved a new levy of 5.5 mills, for a continuing period of time. The levy commenced in tax year 2011 with collections beginning January 2012. This levy generates approximately \$5.95 million per year. The levy proceeds are used for current operating expenses.

In response to the failed levy issue on November 2, 2010, the District implemented substantial budget reductions for fiscal year 2012. Additionally, in June 2011, the Board reached a two-year agreement with the Pickerington Education Association (PEA) which enabled the District to realize substantial savings in salaries and benefits.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

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

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

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

In total, the District's leadership believes that with the recent budget reductions; effective management of the negotiations process; the passage of recent levies; and significant increases in state funding as provided by state formula aid; and the adoption of a formal cash balance policy has provided much-improved financial stability for the District for fiscal year 2016 and future years.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ryan Jenkins, Treasurer of Pickerington Local School District at 90 East Street, Pickerington, Ohio 43147 or email him at [ryan\\_jenkins@plsd.us](mailto:ryan_jenkins@plsd.us).

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

STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 63,455,201
Cash with fiscal agent . . . . .	21,881
Cash in segregated accounts . . . . .	118,554
Receivables:	
Property taxes . . . . .	47,516,353
Income taxes . . . . .	6,891,552
Payment in lieu of taxes . . . . .	125,136
Accounts . . . . .	40
Accrued interest . . . . .	60,132
Intergovernmental . . . . .	749,690
Prepayments . . . . .	78,975
Materials and supplies inventory . . . . .	17,123
Inventory held for resale . . . . .	40,843
Capital assets:	
Nondepreciable capital assets . . . . .	10,157,169
Depreciable capital assets, net . . . . .	149,028,445
Capital assets, net . . . . .	<u>159,185,614</u>
Total assets . . . . .	<u>278,261,094</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	5,255,674
Pension - STRS . . . . .	17,175,106
Pension - SERS . . . . .	2,846,084
Total deferred outflows of resources . . . . .	<u>25,276,864</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	806,286
Retainage payable . . . . .	118,554
Accrued wages and benefits payable . . . . .	10,174,919
Pension and postemployment obligation . . . . .	1,664,680
Intergovernmental payable . . . . .	436,747
Accrued interest payable . . . . .	282,594
Claims payable . . . . .	942,100
Matured bonds payable . . . . .	20,000
Matured interest payable . . . . .	1,881
Long-term liabilities:	
Due within one year . . . . .	9,792,715
Due in more than one year:	
Net pension liability (See Note 13) . . . . .	157,731,775
Other amounts due in more than one year . . . . .	123,165,132
Total liabilities . . . . .	<u>305,137,383</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	41,552,384
Payment in lieu of taxes levied for the next fiscal year . . . . .	125,136
Pension - STRS . . . . .	9,083,653
Pension - SERS . . . . .	680,328
Total deferred inflows of resources . . . . .	<u>51,441,501</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	48,368,374
Restricted for:	
Capital projects . . . . .	3,829,146
Classroom facilities maintenance . . . . .	2,629,305
Debt service . . . . .	4,317,198
State funded programs . . . . .	158,672
Federally funded programs . . . . .	78,382
Student activities . . . . .	407,537
Other purposes . . . . .	1,454,532
Unrestricted (deficit) . . . . .	(114,284,072)
Total net position (deficit) . . . . .	<u>\$ (53,040,926)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 50,113,119	\$ 294,156	\$ 1,008,051	\$ (48,810,912)
Special . . . . .	15,406,568	227,711	6,946,821	(8,232,036)
Vocational . . . . .	575,131	-	43,705	(531,426)
Other . . . . .	3,505,283	-	202,665	(3,302,618)
Support services:				
Pupil . . . . .	6,493,988	-	126,920	(6,367,068)
Instructional staff . . . . .	5,831,566	-	336,166	(5,495,400)
Board of education . . . . .	679,391	-	-	(679,391)
Administration . . . . .	8,105,447	632	78,028	(8,026,787)
Fiscal . . . . .	2,079,635	-	-	(2,079,635)
Business . . . . .	546,554	-	-	(546,554)
Operations and maintenance . . . . .	11,285,198	308,347	3,274	(10,973,577)
Pupil transportation . . . . .	6,046,787	-	384,176	(5,662,611)
Central . . . . .	664,189	-	-	(664,189)
Operation of non-instructional services:				
Other non-instructional services . . . . .	573,252	574,057	16,000	16,805
Food service operations . . . . .	5,258,365	2,834,919	1,997,622	(425,824)
Extracurricular activities . . . . .	2,562,454	1,689,963	84,757	(787,734)
Interest and fiscal charges . . . . .	5,973,498	-	-	(5,973,498)
<b>Total governmental activities . . . . .</b>	<b>\$ 125,700,425</b>	<b>\$ 5,929,785</b>	<b>\$ 11,228,185</b>	<b>(108,542,455)</b>

**General revenues:**

Property taxes levied for:	
General purposes . . . . .	36,106,097
Debt service . . . . .	11,521,302
Facility maintenance . . . . .	406,199
Payments in lieu of taxes . . . . .	125,137
Income taxes levied for:	
General purposes . . . . .	16,422,435
Grants and entitlements not restricted	
to specific programs . . . . .	53,389,530
Investment earnings . . . . .	400,335
Miscellaneous . . . . .	222,365
<b>Total general revenues . . . . .</b>	<b>118,593,400</b>
Change in net position . . . . .	10,050,945
<b>Net position (deficit) at beginning of year . . . . .</b>	<b>(63,091,871)</b>
<b>Net position (deficit) at end of year . . . . .</b>	<b>\$ (53,040,926)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 33,486,639	\$ 13,930,158	\$ 9,128,286	\$ 56,545,083
Cash with fiscal agent . . . . .	-	21,881	-	21,881
Cash in segregated accounts . . . . .	-	-	118,554	118,554
Receivables:				
Property taxes . . . . .	36,009,550	11,102,556	404,247	47,516,353
Income taxes . . . . .	6,891,552	-	-	6,891,552
Payment in lieu of taxes . . . . .	92,143	31,654	1,339	125,136
Accounts . . . . .	40	-	-	40
Accrued interest . . . . .	60,132	-	-	60,132
Intergovernmental . . . . .	311,298	-	438,392	749,690
Prepayments . . . . .	78,975	-	-	78,975
Materials and supplies inventory . . . . .	-	-	17,123	17,123
Inventory held for resale . . . . .	-	-	40,843	40,843
Due from other funds . . . . .	1,565	-	-	1,565
Total assets . . . . .	<u>\$ 76,931,894</u>	<u>\$ 25,086,249</u>	<u>\$ 10,148,784</u>	<u>\$ 112,166,927</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 635,276	\$ -	\$ 171,010	\$ 806,286
Retainage payable . . . . .	-	-	118,554	118,554
Accrued wages and benefits payable . . . . .	9,561,392	-	613,527	10,174,919
Compensated absences payable . . . . .	54,534	-	1,660	56,194
Intergovernmental payable . . . . .	428,827	-	7,920	436,747
Pension and postemployment obligation . . . . .	1,558,672	-	106,008	1,664,680
Due to other funds . . . . .	-	-	1,565	1,565
Matured bonds payable . . . . .	-	20,000	-	20,000
Matured interest payable . . . . .	-	1,881	-	1,881
Total liabilities . . . . .	<u>12,238,701</u>	<u>21,881</u>	<u>1,020,244</u>	<u>13,280,826</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	31,503,396	9,695,948	353,040	41,552,384
Payment in lieu of taxes levied for the next fiscal year . . . . .	92,143	31,654	1,339	125,136
Delinquent property tax revenue not available . . . . .	1,224,550	377,556	13,747	1,615,853
Income tax revenue not available . . . . .	1,096,978	-	-	1,096,978
Intergovernmental revenue not available . . . . .	112,320	-	168,551	280,871
Accrued interest not available . . . . .	47,767	-	-	47,767
Total deferred inflows of resources . . . . .	<u>34,077,154</u>	<u>10,105,158</u>	<u>536,677</u>	<u>44,718,989</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	17,123	17,123
Prepays . . . . .	78,975	-	-	78,975
Restricted:				
Debt service . . . . .	-	14,959,210	156,390	15,115,600
Capital improvements . . . . .	-	-	3,831,028	3,831,028
Classroom facilities maintenance . . . . .	-	-	2,615,558	2,615,558
Food service operations . . . . .	-	-	1,525,256	1,525,256
Targeted academic assistance . . . . .	-	-	10,372	10,372
Other purposes . . . . .	-	-	170,737	170,737
Extracurricular . . . . .	-	-	407,537	407,537
Committed:				
Termination benefits . . . . .	2,893,219	-	-	2,893,219
Assigned:				
Student instruction . . . . .	147,171	-	-	147,171
Student and staff support . . . . .	1,904,158	-	-	1,904,158
Subsequent year's appropriations . . . . .	2,894,678	-	-	2,894,678
Other purposes . . . . .	376,244	-	-	376,244
Unassigned (deficit) . . . . .	22,321,594	-	(142,138)	22,179,456
Total fund balances . . . . .	<u>30,616,039</u>	<u>14,959,210</u>	<u>8,591,863</u>	<u>54,167,112</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 76,931,894</u>	<u>\$ 25,086,249</u>	<u>\$ 10,148,784</u>	<u>\$ 112,166,927</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016

<b>Total governmental fund balances</b>		\$	54,167,112
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			159,185,614
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,615,853	
Income taxes receivable		1,096,978	
Accrued interest receivable		47,767	
Intergovernmental receivable		280,871	
Total		280,871	3,041,469
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			5,968,018
Unamortized premiums on refunding bonds issued are not recognized in the funds.			(6,806,168)
Unamortized amounts on refundings are not recognized in the funds.			5,255,674
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(282,594)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/ outflows are not reported in governmental funds.			
Deferred outflows of resources - pension		20,021,190	
Deferred inflows of resources - pension		(9,763,981)	
Net pension liability		(157,731,775)	
Total		(157,731,775)	(147,474,566)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(118,937,071)	
Capital lease obligations		(1,632,278)	
Compensated absences		(5,526,136)	
Total		(126,095,485)	(126,095,485)
<b>Net position (deficit) of governmental activities</b>		<b>\$</b>	<b>(53,040,926)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 36,283,071	\$ 11,540,918	\$ 487,362	\$ 48,311,351
Income taxes . . . . .	16,389,847	-	-	16,389,847
Payment in lieu of taxes . . . . .	92,143	31,654	1,340	125,137
Tuition . . . . .	521,867	-	-	521,867
Earnings on investments . . . . .	365,376	-	20,105	385,481
Charges for services . . . . .	-	-	2,834,919	2,834,919
Extracurricular . . . . .	774,031	-	505,067	1,279,098
Classroom materials and fees . . . . .	430,256	-	-	430,256
Rental income . . . . .	246,748	-	42,840	289,588
Contributions and donations . . . . .	45,539	-	64,101	109,640
Contract services . . . . .	-	-	574,057	574,057
Other local revenues . . . . .	195,502	-	449,847	645,349
Intergovernmental - state . . . . .	56,677,656	1,448,617	903,704	59,029,977
Intergovernmental - federal . . . . .	475,905	-	5,016,265	5,492,170
Total revenues . . . . .	<u>112,497,941</u>	<u>13,021,189</u>	<u>10,899,607</u>	<u>136,418,737</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	44,531,475	-	1,164,388	45,695,863
Special . . . . .	14,456,592	-	1,162,027	15,618,619
Vocational . . . . .	545,041	-	-	545,041
Other . . . . .	3,284,739	-	219,799	3,504,538
Support services:				
Pupil . . . . .	6,345,207	-	137,463	6,482,670
Instructional staff . . . . .	5,093,928	-	416,773	5,510,701
Board of education . . . . .	679,617	-	-	679,617
Administration . . . . .	8,011,404	-	85,021	8,096,425
Fiscal . . . . .	1,861,366	208,909	9,004	2,079,279
Business . . . . .	548,354	-	-	548,354
Operations and maintenance . . . . .	9,458,071	-	1,346,023	10,804,094
Pupil transportation . . . . .	5,869,913	-	20,433	5,890,346
Central . . . . .	690,051	-	-	690,051
Operation of non-instructional services:				
Other services of non-instructional . . . . .	80,707	-	596,247	676,954
Food service operations . . . . .	-	-	4,590,200	4,590,200
Extracurricular activities . . . . .	1,835,464	-	596,786	2,432,250
Facilities acquisition and construction . . . . .	17,722	-	1,351,734	1,369,456
Capital outlay . . . . .	174,356	-	-	174,356
Debt service:				
Principal retirement . . . . .	1,408,365	8,413,270	21,731	9,843,366
Interest and fiscal charges . . . . .	81,714	4,220,579	98,269	4,400,562
Bond issuance costs . . . . .	-	145,182	-	145,182
Total expenditures . . . . .	<u>104,974,086</u>	<u>12,987,940</u>	<u>11,815,898</u>	<u>129,777,924</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>7,523,855</u>	<u>33,249</u>	<u>(916,291)</u>	<u>6,640,813</u>
<b>Other financing sources (uses):</b>				
Premium on refunding bonds . . . . .	-	1,176,960	-	1,176,960
Sale of refunding bonds . . . . .	-	8,805,000	-	8,805,000
Transfers in . . . . .	-	-	750,000	750,000
Transfers (out) . . . . .	(750,000)	-	-	(750,000)
Lease purchase transaction . . . . .	174,356	-	-	174,356
Payment to refunding bond escrow agent . . . . .	-	(9,836,778)	-	(9,836,778)
Total other financing sources (uses) . . . . .	<u>(575,644)</u>	<u>145,182</u>	<u>750,000</u>	<u>319,538</u>
Net change in fund balances . . . . .	6,948,211	178,431	(166,291)	6,960,351
<b>Fund balances at beginning of year . . . . .</b>	<b>23,667,828</b>	<b>14,780,779</b>	<b>8,758,154</b>	<b>47,206,761</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 30,616,039</u></b>	<b><u>\$ 14,959,210</u></b>	<b><u>\$ 8,591,863</u></b>	<b><u>\$ 54,167,112</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**Net change in fund balances - total governmental funds** \$ 6,960,351

*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.

Capital asset additions	\$ 727,746	
Current year depreciation	(7,980,462)	
<b>Total</b>	<b>(7,252,716)</b>	<b>(7,252,716)</b>

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

Property taxes	(277,753)	
Income taxes	32,588	
Earnings on investments	17,523	
Intergovernmental	(440,029)	
<b>Total</b>	<b>(667,671)</b>	<b>(667,671)</b>

Repayment of bond and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:

Bonds	8,435,001	
Capital leases	1,408,365	
<b>Total</b>	<b>9,843,366</b>	<b>9,843,366</b>

Issuance of refunding bonds and lease purchase transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.

Refunding Bonds	(8,805,000)	
Lease purchase	(174,356)	
<b>Total</b>	<b>(8,979,356)</b>	<b>(8,979,356)</b>

Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:

9,836,778

Premiums on bonds related to the issuance of bonds are amortized over the life of the issuance in the statement of activities.

(1,176,960)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.

9,110,216

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

(8,145,619)

-- (Continued)

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Decrease in accrued interest payable	\$	83,664	
Accreted interest on capital appreciation bonds		(1,596,075)	
Amortization of bond premiums		496,690	
Amortization of deferred charges		(412,033)	
Total		(1,427,754)	\$ (1,427,754)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (628,361)

An 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. 2,578,671

**Change in net position of governmental activities** \$ 10,050,945

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 34,964,217	\$ 34,964,217	\$ 35,830,273	\$ 866,056
Income taxes. . . . .	16,020,752	16,020,752	16,242,763	222,011
Tuition . . . . .	421,000	421,000	494,639	73,639
Earnings on investments . . . . .	109,525	109,525	289,647	180,122
Rental income . . . . .	280	280	-	(280)
Contributions and donations . . . . .	-	-	1,000	1,000
Contract services. . . . .	37,320	37,320	-	(37,320)
Other local revenues . . . . .	110,136	110,136	117,145	7,009
Intergovernmental - state . . . . .	51,873,232	51,873,232	56,664,263	4,791,031
Intergovernmental - federal . . . . .	310,607	310,607	475,905	165,298
Total revenues . . . . .	<u>103,847,069</u>	<u>103,847,069</u>	<u>110,115,635</u>	<u>6,268,566</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	46,575,072	46,661,943	45,193,895	1,468,048
Special. . . . .	13,740,849	13,660,713	14,460,091	(799,378)
Vocational. . . . .	317,905	540,708	558,039	(17,331)
Other. . . . .	3,600,300	3,588,477	3,263,745	324,732
Support services:				
Pupil. . . . .	6,163,407	6,250,961	6,490,827	(239,866)
Instructional staff . . . . .	5,126,843	5,105,789	5,162,504	(56,715)
Board of education . . . . .	962,789	951,259	915,241	36,018
Administration. . . . .	7,716,215	7,648,959	8,134,888	(485,929)
Fiscal . . . . .	1,871,001	1,864,710	1,896,927	(32,217)
Business . . . . .	647,788	650,063	755,607	(105,544)
Operations and maintenance. . . . .	10,668,080	10,685,630	10,312,714	372,916
Pupil transportation . . . . .	7,390,939	7,435,047	6,434,551	1,000,496
Central. . . . .	661,725	669,479	716,920	(47,441)
Extracurricular activities. . . . .	709,602	704,817	919,082	(214,265)
Facilities acquisition and construction . . . . .	83,853	60,210	43,144	17,066
Total expenditures . . . . .	<u>106,236,369</u>	<u>106,478,765</u>	<u>105,258,175</u>	<u>1,220,590</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(2,389,300)</u>	<u>(2,631,696)</u>	<u>4,857,460</u>	<u>7,489,156</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	103,854	103,854	12	(103,842)
Transfers in . . . . .	2,365	2,365	-	(2,365)
Transfer (out) . . . . .	(1,500,000)	(1,500,000)	(750,000)	750,000
Sale of capital assets . . . . .	450	450	8,134	7,684
Total other financing sources (uses) . . . . .	<u>(1,393,331)</u>	<u>(1,393,331)</u>	<u>(741,854)</u>	<u>651,477</u>
Net change in fund balance . . . . .	(3,782,631)	(4,025,027)	4,115,606	8,140,633
<b>Fund balance at beginning of year . . . . .</b>	<b>21,284,156</b>	<b>21,284,156</b>	<b>21,284,156</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>2,127,763</b>	<b>2,127,763</b>	<b>2,127,763</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 19,629,288</b>	<b>\$ 19,386,892</b>	<b>\$ 27,527,525</b>	<b>\$ 8,140,633</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2016

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 6,910,118
Total assets. . . . .	<u>6,910,118</u>
<b>Liabilities:</b>	
Claims payable . . . . .	<u>942,100</u>
Total liabilities . . . . .	<u>942,100</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>5,968,018</u>
Total net position. . . . .	<u>\$ 5,968,018</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 14,829,127
Total operating revenues . . . . .	<u>14,829,127</u>
<b>Operating expenses:</b>	
Claims . . . . .	12,250,760
Total operating expenses. . . . .	<u>12,250,760</u>
Operating income . . . . .	<u>2,578,367</u>
<b>Nonoperating revenues:</b>	
Interest revenue . . . . .	304
Total nonoperating revenues. . . . .	<u>304</u>
Change in net position . . . . .	2,578,671
<b>Net position at beginning of year. . . . .</b>	<u>3,389,347</u>
<b>Net position at end of year . . . . .</b>	<u><u>\$ 5,968,018</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 14,829,127
Cash payments for claims . . . . .	<u>(12,113,660)</u>
Net cash provided by operating activities . . . . .	<u>2,715,467</u>
<b>Cash flows from investing activities:</b>	
Interest received . . . . .	<u>304</u>
Net cash provided by investing activities . . . . .	<u>304</u>
Net increase in cash and cash equivalents . . . . .	2,715,771
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>4,194,347</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 6,910,118</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 2,578,367
Changes in assets and liabilities: Increase in claims payable . . . . .	<u>137,100</u>
Net cash provided by operating activities. . . . .	<u><u>\$ 2,715,467</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2016

	<b>Endowment</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 4,125	\$ 240,820
Total assets. . . . .	4,125	\$ 240,820
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 61,017
Accrued wages and benefits . . . . .	-	98
Deposits held and due to others . . . . .	-	26,297
Due to students. . . . .	-	153,408
Total liabilities . . . . .	-	\$ 240,820
<b>Net position:</b>		
Held in trust for scholarships . . . . .	4,125	
Total net position. . . . .	\$ 4,125	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Private Purpose Trust</b>
	<b>Endowment</b>
<b>Additions:</b>	
Gifts and contributions . . . . .	\$ 5,325
Total additions . . . . .	5,325
 <b>Deductions:</b>	
Scholarships awarded . . . . .	1,200
Change in net position . . . . .	4,125
<b>Net position at beginning of year . . . . .</b>	-
<b>Net position at end of year . . . . .</b>	\$ 4,125

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

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

The District employs 355 non-certified, 640 certified and 66 administrative employees to provide services to approximately 10,216 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

**A. Reporting Entity**

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

*RELATED ORGANIZATION*

Pickerington Community School

The Pickerington Community School (the "School") is a non-profit 501(c)(3) corporation established pursuant to Ohio Revised Code Chapters 1702 and 3314 to establish a conversion school in Pickerington Local School District addressing the needs of students between sixteen and twenty-one years of age who have dropped out of high school or are at risk of dropping out due to poor attendance, disciplinary problems, or suspensions. The School operates under the direction of a three-member Board of Directors appointed by the District. Separately issued financial statements can be obtained from the Treasurer of the School, Ryan Jenkins at 7800 Refugee Road, Pickerington, Ohio 43147 or email at ryan\_jenkins@plsd.us.

*JOINTLY GOVERNED ORGANIZATIONS*

Metropolitan Educational Technology Association (META) Solutions

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

Eastland-Fairfield Career and Technical Schools (Career Center)

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

*PUBLIC ENTITY RISK POOLS*

Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Ohio School Plan

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

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

*GOVERNMENTAL FUNDS*

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

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

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

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

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is the District's proprietary fund:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

*Internal service fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides medical benefits to employees.

*FIDUCIARY FUNDS*

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

**C. Basis of Presentation and Measurement Focus**

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

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

The private-purpose trust fund is reported using the economic resources measurement focus.

**D. Basis of Accounting**

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 17). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, See Note 13 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, See Note 13 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

**F. Cash and Investments**

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

During fiscal year 2016, investments were limited to negotiable and nonnegotiable certificates of deposits (CDs), commercial paper, money market mutual fund, Federal Home Loan Bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) Securities, Federal Home Loan Mortgage (FHLM) Securities, Federal National Mortgage Association (FNMA) Securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2016. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2016.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$365,376, which includes \$176,621 assigned from other District funds.

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**G. Inventory**

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

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2016, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**I. Interfund Balances**

On fund, financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds". These amounts are eliminated in the governmental activities column on the statement of net position.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.

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

**K. Compensated Absences**

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**M. Fund Balance**

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

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned amounts include all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

**N. Net Position**

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

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

**O. Prepayments**

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

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

**P. Estimates**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

**Q. Pensions**

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

**R. Interfund Activity**

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

**S. Fair Market Value**

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

**T. Extraordinary and Special Items**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2016, the District has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part-B	\$ 138,370
Title III	3,768

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

**A. Cash with Fiscal Agent**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Cash in Segregated Accounts**

At fiscal year-end \$118,554 was maintained in a depository account that the District established for funds related to retainage set-aside for construction projects. This depository account is included in total amount of "Deposits with Financial Institutions" below.

**C. Deposits with Financial Institutions**

At June 30, 2016, the carrying amount of all District deposits was \$10,465,914. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$10,145,033 of the District's bank balance of \$10,645,033 was exposed to custodial risk as discussed below, while \$500,000 was covered by the FDIC.

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

**D. Investments**

As of June 30, 2016, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FNMA	\$ 6,822,784	\$ -	\$ -	\$ 852,348	\$ 949,819	\$ 5,020,617
FHLM	934,449	-	-	934,449	-	-
FFCB	4,327,442	-	-	1,741,263	-	2,586,179
FHLB	639,334	-	-	-	-	639,334
U.S. money market	2,709	2,709	-	-	-	-
Negotiable CDs	1,021,014	-	-	-	-	1,021,014
Commercial paper	19,340,144	3,582,723	15,757,421	-	-	-
STAR Ohio	20,286,791	20,286,791	-	-	-	-
<b>Total</b>	<b>\$ 53,374,667</b>	<b>\$ 23,872,223</b>	<b>\$ 15,757,421</b>	<b>\$ 3,528,060</b>	<b>\$ 949,819</b>	<b>\$ 9,267,144</b>

The weighted average maturity of investments is 0.96 years.

The District's investments in federal agency securities, negotiable certificates of deposit and commercial paper are valued using quoted market prices (Level 1 inputs).

*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.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Credit Risk:* The District's investments in federal securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The money market mutual fund and negotiable CDs were not rated. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy dealing with credit risk.

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

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2016:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FNMA	\$ 6,822,784	12.78
FHLM	934,449	1.75
FFCB	4,327,442	8.11
FHLB	639,334	1.20
U.S. money market	2,709	0.01
Negotiable CDs	1,021,014	1.91
Commercial paper	19,340,144	36.23
STAR Ohio	20,286,791	38.01
Total	<u>\$ 53,374,667</u>	<u>100.00</u>

**E. Reconciliation of Cash and Investments to the Financial Statements**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of June 30, 2016:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 10,465,914
Investments	<u>53,374,667</u>
Total	<u>\$ 63,840,581</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 63,595,636
Private purpose trust fund	4,125
Agency funds	<u>240,820</u>
Total	<u>\$ 63,840,581</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund transfers for the year ended June 30, 2016, consisted of the following, as reported on the fund financial statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 750,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

All transfers made in fiscal year 2016 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

- B.** Due from and to other funds at June 30, 2016 consisted of the following individual amounts, as reported in the fund financial statements:

<u>Due to general fund from:</u>	<u>Amount</u>
IDEA, part B	\$ 1,388
Title I	117
Improving teacher quality	<u>60</u>
	<u>\$ 1,565</u>

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Fairfield and Franklin Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$3,281,604 in the general fund, \$1,029,052 in the District debt service fund and \$37,460 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$2,828,806 in the general fund, \$987,934 in the District debt service fund and \$32,297 in the classroom facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second Half Collections		2016 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,096,505,620	98.27	\$ 1,120,904,800	98.15
Public utility personal	<u>19,304,470</u>	<u>1.73</u>	<u>21,084,440</u>	<u>1.85</u>
Total	<u>\$ 1,115,810,090</u>	<u>100.00</u>	<u>\$ 1,141,989,240</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$72.20		\$72.20	
Bond	12.00		10.90	
Facilities maintenance	0.50		0.50	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2016 consisted of taxes, payment in lieu of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 47,516,353
Income taxes	6,891,552
Payment in lieu of taxes	125,136
Accounts	40
Accrued interest	60,132
Intergovernmental	<u>749,690</u>
Total	<u>\$ 55,342,903</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 8 - CAPITAL ASSETS**

Governmental capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 9,185,480	\$ -	\$ -	\$ 9,185,480
Construction in progress	971,689	-	-	971,689
Total capital assets, not being depreciated	<u>10,157,169</u>	<u>-</u>	<u>-</u>	<u>10,157,169</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	20,052,546	-	-	20,052,546
Building and improvements	226,268,156	-	-	226,268,156
Furniture and equipment	6,876,936	112,126	-	6,989,062
Vehicles	2,334,381	615,620	-	2,950,001
Total capital assets, being depreciated	<u>255,532,019</u>	<u>727,746</u>	<u>-</u>	<u>256,259,765</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(10,151,235)	(904,927)	-	(11,056,162)
Building and improvements	(83,160,965)	(6,254,419)	-	(89,415,384)
Furniture and equipment	(4,297,220)	(608,840)	-	(4,906,060)
Vehicles	(1,641,438)	(212,276)	-	(1,853,714)
Total accumulated depreciation	<u>(99,250,858)</u>	<u>(7,980,462)</u>	<u>-</u>	<u>(107,231,320)</u>
Governmental activities capital assets, net	<u>\$ 166,438,330</u>	<u>\$ (7,252,716)</u>	<u>\$ -</u>	<u>\$ 159,185,614</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 5,414,852
Special	276,296
Vocational	17,253
<u>Support services:</u>	
Pupil	183,673
Instructional staff	407,277
Administration	159,832
Operations and maintenance	459,672
Pupil transportation	157,969
Extracurricular activities	160,404
Food service operation	743,234
Total depreciation expense	<u>\$ 7,980,462</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During fiscal year 2007, the District entered into a lease-purchase agreement with Fifth Third Bank. This lease meets the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to construct a bus/maintenance facility. At June 30, 2016, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$300,618 has been booked as of June 30, 2016 leaving a book value of \$1,369,504. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$104,388 and \$49,497, respectively.

During fiscal year 2013, the District entered into a lease-purchase agreement for the purchase of copiers. This lease meets the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. At June 30, 2016, capital assets acquired by lease purchase have been capitalized under furniture and equipment in the amount of \$925,275. Accumulated depreciation of \$647,693 has been booked as of June 30, 2016 leaving a book value of \$277,582. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$185,368 and \$16,712, respectively.

During fiscal year 2014 and the current fiscal year, the District entered into a lease-purchase agreement with Apple, Inc. These leases meet the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to acquire various Apple products for students including iPads and computers. At June 30, 2016, these items acquired by lease purchase total \$3,009,534 and have not been capitalized due to each item being under the capitalization threshold. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$1,058,520 and \$15,505, respectively.

During fiscal year 2016, the District entered into a lease-purchase agreement for the purchase of GM vehicles. This lease meets the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. At June 30, 2016, capital assets acquired by lease purchase have been capitalized under vehicles in the amount of \$174,357. Accumulated depreciation of \$21,795 has been booked as of June 30, 2016 leaving a book value of \$152,562. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal payments totaled \$60,089.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements and the present value of the minimum lease payments as of June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2017	\$ 928,722
2018	399,215
2019	153,885
2020	153,885
2021	<u>153,864</u>
Total minimum lease payments	1,789,571
Less: amount representing interest	<u>(157,293)</u>
Present value of minimum lease payments	<u>\$ 1,632,278</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

**A. General Obligation Bonds**

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

The following is a summary of the District's general obligation bonds outstanding at June 30, 2016

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>General Obligation Bonds:</b>				
Series 2001, capital appreciation bonds	\$ 3,817,112	\$ -	\$ (2,016,575)	\$ 1,800,537
Series 2001, capital appreciation bonds accreted interest	3,732,878	284,800	(2,073,426)	1,944,252
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	539,818	102,966	-	642,784
Series 2006, current interest refunding bonds	53,630,000	-	(1,845,000)	51,785,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	7,029,338	1,187,530	-	8,216,868
Series 2007, current interest bonds	24,460,000	-	(10,750,000)	13,710,000
Series 2014, current interest refunding bonds	27,520,000	-	(850,000)	26,670,000
Series 2016, current interest refunding bonds	-	8,805,000	-	8,805,000
<b>Public Library Refunding Bonds:</b>				
Series 2002, capital appreciation bonds	40,000	-	(21,731)	18,269
Series 2002, capital appreciation bonds accreted interest	<u>166,950</u>	<u>20,779</u>	<u>(98,269)</u>	<u>89,460</u>
Total general obligation bonds	<u>\$ 126,190,997</u>	<u>\$ 10,401,075</u>	<u>\$ (17,655,001)</u>	<u>\$ 118,937,071</u>

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

At June 30, 2016, the remaining issue is comprised of capital appreciation bonds, par value \$1,800,537. In fiscal year 2016, capital appreciation bonds of \$2,016,575 matured with accreted interest of \$2,073,426 (total accreted value at maturity was \$4,090,001). The remaining capital appreciation bonds mature on December 1, 2016. The capital appreciation bonds have an effective interest rate of 5.15% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the remaining capital appreciation bonds is \$3,840,000. A total of \$1,944,252 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2016.

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

The refunding issue is comprised of both current interest bonds, par value \$1,840,000, and capital appreciation bonds, par value \$40,000. The average interest rate on the current interest bonds is 3.08%. The capital appreciation bonds mature December 1, 2016 (stated interest 13.95%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$115,000. Total accreted interest of \$89,460 has been included on the statement of net position.

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated on the current interest bonds was December 1, 2014. The Capital appreciation bonds of \$40,000, deferred charges of \$3,856 and unamortized premiums of \$9,023 are not included in the calculation of net invested in capital assets, net of related debt because the proceeds of these bonds were not used to purchase capital assets held by the District.

Payments have been reflected as debt service expenditures from the library debt service fund (a nonmajor governmental fund).

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

The refunding issue is comprised of both current interest bonds, par value \$7,355,000 and capital appreciation bonds, par value \$144,994. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2016 (stated interest rate 14.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$845,000. Total accreted interest of \$642,784 has been included on the statement of net position at June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The current interest bonds were funded in the amount of \$3,450,000 with proceed from the series 2014 refunding bonds.

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

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

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

This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of both current interest bonds, par value \$62,670,000, and capital appreciation bonds, par value \$5,109,907. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2017, December 1, 2018 and December 1, 2019 (stated interest rate 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$16,780,000. Total accreted interest of 8,216,868 has been included on the statement of net position.

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

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

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034. At June 30, 2016, there was \$1,882 in unspent proceeds of the Series 2007 general obligation bonds.

The current interest bonds were refunded in the amount of \$26,125,000 and \$9,220,000 with proceeds from the series 2014 and 2016 refunding bonds, respectively. The difference in the amount refunded and the refunding for the 2014 and 2016 refunding bonds is \$1,455,000 and \$415,000, respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

The refunding issue is comprised of current interest bonds with an interest rate of 1.00% to 5.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$3,450,864. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

Series 2016 Refunding General Obligation Bonds - On December 10, 2015, the District issued general obligation bonds (Series 2016 Refunding Bonds) to advance refund the callable portion of the Series 2007 current interest general obligation bonds (\$8,805,000). The issuance proceeds of \$8,805,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

The refunding issue is comprised of current interest bonds with an interest rate of 4.00%. The reacquisition price exceeded the net carrying amount of the old debt by \$1,176,960. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce the combined total debt service payments over the next 17 years by \$1,031,945 and resulted in a net present value economic gain of \$803,239.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated on the current interest bonds is December 1, 2031.

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 3,565,000	\$ 3,541,666	\$ 7,106,666	\$ 1,963,801	\$ 2,836,199	\$ 4,800,000
2018	2,535,000	2,348,369	4,883,369	1,864,625	3,730,375	5,595,000
2019	2,625,000	2,937,519	5,562,519	1,697,318	3,892,682	5,590,000
2020	2,730,000	2,369,919	5,099,919	1,547,964	4,047,036	5,595,000
2021	7,500,000	3,668,888	11,168,888	-	-	-
2022 - 2026	39,640,000	13,593,669	53,233,669	-	-	-
2027 - 2031	28,870,000	6,295,456	35,165,456	-	-	-
2032 - 2035	13,505,000	1,312,943	14,817,943	-	-	-
Total	<u>\$ 100,970,000</u>	<u>\$ 36,068,429</u>	<u>\$ 137,038,429</u>	<u>\$ 7,073,708</u>	<u>\$ 14,506,292</u>	<u>\$ 21,580,000</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The difference in the amount due in the schedule below in Note 10.C. and the amortization schedule above is \$10,893,364 which is the amount of capital appreciation bond accreted interest that has been recognized as of June 30, 2016.

C. During the fiscal year 2016, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>June 30, 2016</u>	Amounts Due in <u>One Year</u>
<b>Governmental activities:</b>					
<u>General Obligation Bonds:</u>					
General obligation bonds	\$ 126,190,997	\$ 10,401,075	\$ (17,655,001)	\$ 118,937,071	\$ 8,205,297
Total general obligation bonds payable	<u>126,190,997</u>	<u>10,401,075</u>	<u>(17,655,001)</u>	<u>118,937,071</u>	<u>8,205,297</u>
<u>Other Long-Term Obligations:</u>					
Lease-purchase obligations	2,866,287	174,356	(1,408,365)	1,632,278	867,172
Net pension liability	134,087,110	23,644,665	-	157,731,775	-
Compensated absences	<u>5,551,725</u>	<u>909,903</u>	<u>(879,298)</u>	<u>5,582,330</u>	<u>720,246</u>
Total other long-term obligations	<u>142,505,122</u>	<u>24,728,924</u>	<u>(2,287,663)</u>	<u>164,946,383</u>	<u>1,587,418</u>
Total governmental activities	<u>\$ 268,696,119</u>	<u>\$ 35,129,999</u>	<u>\$ (19,942,664)</u>	283,883,454	<u>\$ 9,792,715</u>
Add: unamortized premiums on refundings				<u>6,806,168</u>	
Total on statement of net position				<u>\$ 290,689,622</u>	

Lease-purchase Obligations - The District entered into lease-purchase obligations for the acquisition of a bus/maintenance facility and copiers. See Note 9 for details.

Net Pension Liability - See Note 13 for detail on the net pension liability.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**D. Legal Debt Margin**

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

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that District a "special needs" District. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The District was determined to be a "special needs" District on March 28, 1996 and confirmed on October 5, 2000 and again in October, 2006. In addition, the unvoted net debt of a school district cannot exceed 0.1 percent of the total assessed value of property. On June 30, 2016, the District had no unvoted debt.

**E. State Loans**

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

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified eleven and twelve month employees hired prior to April 1, 2011 earn twelve to twenty days of vacation per year, with a maximum accrual of 24 to 40 days, depending upon length of service. Classified eleven and twelve month employees hired after to April 1, 2011 earn ten to twenty days of vacation per year, with a maximum accrual of 20 to 40 days, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)**

Non-administrative employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 65 days for certificated staff with a minimum of five years with the District; and 61 days for classified employees with a minimum of five years with the District. An employee receiving such payment must meet the retirement provisions set by STRS Ohio and SERS.

Administrative twelve month employees earn fifteen to twenty-five days of vacation per year, with a maximum accrual of 45 to 60 days, depending upon length of service. Administrative employees earn sick leave at a rate ranging from one and one-third days per month to one and two-thirds days per month, depending upon the number of contractual days worked. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 82 days for administrative employees with a minimum of five years of service with the District. Accumulated unused vacation time is paid to administrative employees upon termination of employment.

**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability**

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

Total policy coverage - includes the following:	
Property limit (\$1,000 deductible) per occurrence	\$368,726,866
Boiler and Machinery (\$1,000 deductible) per occurrence	100,000,000
Automobile liability (\$1,000 deductible)	4,000,000
Medical payments	5,000
Public Employee Dishonesty per occurrence	100,000
General school district liability:	
Per occurrence	4,000,000
Total per aggregate	6,000,000

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 12 - RISK MANAGEMENT - (Continued)**

**B. Group Health and Dental Insurance**

Health, life and dental group insurance is offered to employees as a fringe benefit. Employees may also purchase vision group coverage, with the full premium being paid by employees. Employer and employee contributions to premiums for health and dental coverage are determined for most employees by negotiated agreements with employee labor unions. Currently, single coverage and family coverage for all employees except administrators are as follows:

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

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

Post-employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14.

**C. Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan**

For policy year 2016, the district participated in the Ohio SchoolComp Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO) (Note 2.A.). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio Bureau of Workers' Compensation (BWC). Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2016 program, the evaluation periods will be 12/31/2017, 12/31/2018 and 12/31/2019. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium.

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

**D. Employee Health Insurance**

The District is self-insured for its medical, dental, and prescription drug coverage. Premiums are paid into the self-insurance fund and are available to pay claims and administrative costs. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$250,000 per employee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The claims liability of \$942,100 reported in the internal service fund at June 30, 2016 is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability for 2015 and 2016 are listed below:

	<u>Balance at Beginning of Year</u>	<u>Current Claims</u>	<u>Claims Payment</u>	<u>Balance at End of Year</u>
2016	\$ 805,000	\$ 12,250,760	\$ (12,113,660)	\$ 942,100
2015	-	11,535,658	(10,730,658)	805,000

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$1,840,236 for fiscal year 2016. Of this amount, \$165,100 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District’s contractually required contribution to STRS was \$7,269,980 for fiscal year 2016. Of this amount, \$1,292,860 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 23,591,202	\$ 134,140,573	\$ 157,731,775
Proportion of the net pension liability	0.41343850%	0.48536458%	
Pension expense	\$ 1,724,778	\$ 6,420,841	\$ 8,145,619

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 374,998	\$ 6,085,790	\$ 6,460,788
Changes in proportionate share	630,850	3,819,336	4,450,186
District contributions subsequent to the measurement date	<u>1,840,236</u>	<u>7,269,980</u>	<u>9,110,216</u>
Total deferred outflows of resources	<u>\$ 2,846,084</u>	<u>\$ 17,175,106</u>	<u>\$ 20,021,190</u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 680,328	\$ 9,083,653	\$ 9,763,981
Total deferred inflows of resources	<u>\$ 680,328</u>	<u>\$ 9,083,653</u>	<u>\$ 9,763,981</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

\$9,110,216 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2017	\$ (50,755)	\$ (1,044,144)	\$ (1,094,899)
2018	(50,755)	(1,044,144)	(1,094,899)
2019	(50,756)	(1,044,142)	(1,094,898)
2020	477,786	3,953,903	4,431,689
Total	\$ 325,520	\$ 821,473	\$ 1,146,993

***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
<b>Total</b>	<b>100.00 %</b>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 32,712,519	\$ 23,591,202	\$ 15,910,300

In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these charges is not known, the impact to the District's net pension liability is expected to be significant.

***Actuarial Assumptions - STRS***

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 186,331,375	\$ 134,140,573	\$ 90,005,467

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, number of qualified years of service, Medicare eligibility and retirement status.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$220,636.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$220,636, \$303,234, and \$199,970, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

**B. State Teachers Retirement System**

Plan Description - The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$487,440, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 4,115,606
Net adjustment for revenue accruals	684,153
Net adjustment for expenditure accruals	(243,941)
Net adjustment for other sources/uses	170,226
Funds budgeted elsewhere	79,878
Adjustment for encumbrances	2,142,289
GAAP basis	<u>\$ 6,948,211</u>

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

**NOTE 16 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 16 - CONTINGENCIES - (Continued)**

**C. Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2015-2016 school year, traditional Districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 17 - SCHOOL DISTRICT INCOME TAX**

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2016, the District income tax generated \$16,389,847 in revenue on the accrual basis of accounting. The District apportions all the proceeds to the general fund.

**NOTE 18 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2015	\$ -
Current year set-aside requirement	1,712,877
Current year offsets	(453,987)
Prior year offset from bond proceeds	<u>(1,258,890)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

During prior fiscal years, the District issued \$161,400,000 in classroom facilities construction bonds. These proceeds may be used to reduce capital acquisition to zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$149,343,874 at June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,835,788
Nonmajor governmental funds	<u>1,941,785</u>
Total	<u>\$ 3,777,573</u>

**NOTE 20 – SUBSEQUENT EVENT**

On July 6, 2016, the District issued \$10,010,000 in Series 2016 General Obligation Refunding Bonds. The bonds carry interest rate of 4.00% - 2.75% and have a final maturity date of December 1, 2034.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.41343850%	0.39699100%	0.39699100%
District's proportionate share of the net pension liability	\$ 23,591,202	\$ 20,091,468	\$ 23,607,781
District's covered-employee payroll	\$ 12,446,654	\$ 11,535,772	\$ 8,845,773
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	266.88%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

The amounts presented as of the District's measurement date, which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.48536458%	0.46866539%	0.46866539%
District's proportionate share of the net pension liability	\$ 134,140,573	\$ 113,995,642	\$ 135,790,863
District's covered-employee payroll	\$ 50,639,664	\$ 47,884,654	\$ 46,012,108
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	295.12%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

The amounts presented as of the District's measurement date, which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,840,236	\$ 1,640,469	\$ 1,598,858	\$ 1,224,255
Contributions in relation to the contractually required contribution	<u>(1,840,236)</u>	<u>(1,640,469)</u>	<u>(1,598,858)</u>	<u>(1,224,255)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,144,543	\$ 12,446,654	\$ 11,535,772	\$ 8,845,773
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%



<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,195,166	\$ 1,192,105	\$ 1,324,677	\$ 872,799	\$ 826,061	\$ 823,266
<u>(1,195,166)</u>	<u>(1,192,105)</u>	<u>(1,324,677)</u>	<u>(872,799)</u>	<u>(826,061)</u>	<u>(823,266)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,885,993	\$ 9,483,731	\$ 9,783,434	\$ 8,869,909	\$ 8,412,026	\$ 7,708,483
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 7,269,980	\$ 7,089,553	\$ 6,225,005	\$ 5,981,574
Contributions in relation to the contractually required contribution	<u>(7,269,980)</u>	<u>(7,089,553)</u>	<u>(6,225,005)</u>	<u>(5,981,574)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 51,928,429	\$ 50,639,664	\$ 47,884,654	\$ 46,012,108
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 6,089,137	\$ 6,667,463	\$ 6,721,083	\$ 6,491,643	\$ 6,275,519	\$ 5,897,218
<u>(6,089,137)</u>	<u>(6,667,463)</u>	<u>(6,721,083)</u>	<u>(6,491,643)</u>	<u>(6,275,519)</u>	<u>(5,897,218)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 46,839,515	\$ 51,288,177	\$ 51,700,638	\$ 49,935,715	\$ 48,273,223	\$ 45,363,215
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2016.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms* : There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2016.

*Changes in assumptions* : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

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

**MAJOR FUND DESCRIPTIONS**

**General**

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

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

**District Debt Service**

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>District Debt Service</b>				
Total Revenues and Other Sources	\$ 12,822,000	\$ 22,803,960	\$ 22,945,577	\$ 141,617
Total Expenditures and Other Uses	<u>12,897,719</u>	<u>22,879,679</u>	<u>22,824,718</u>	<u>54,961</u>
Net Change in Fund Balances	(75,719)	(75,719)	120,859	196,578
Fund Balance at Beginning of Year	<u>13,809,299</u>	<u>13,809,299</u>	<u>13,809,299</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 13,733,580</u>	<u>\$ 13,733,580</u>	<u>\$ 13,930,158</u>	<u>\$ 196,578</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 5,124,172	\$ 156,390	\$ 3,847,724	\$ 9,128,286
Cash in segregated accounts. . . . .	-	-	118,554	118,554
Receivables:				
Property taxes . . . . .	404,247	-	-	404,247
Payment in lieu of taxes . . . . .	1,056	283	-	1,339
Intergovernmental . . . . .	438,392	-	-	438,392
Materials and supplies inventory . . . . .	17,123	-	-	17,123
Inventory held for resale . . . . .	40,843	-	-	40,843
<b>Total assets. . . . .</b>	<b>\$ 6,025,833</b>	<b>\$ 156,673</b>	<b>\$ 3,966,278</b>	<b>\$ 10,148,784</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 154,366	\$ -	\$ 16,644	\$ 171,010
Contracts payable. . . . .	-	-	-	-
Retainage payable . . . . .	-	-	118,554	118,554
Accrued wages and benefits payable . . . . .	613,527	-	-	613,527
Compensated absences payable . . . . .	1,660	-	-	1,660
Intergovernmental payable . . . . .	7,868	-	52	7,920
Pension and post employment obligation . . . . .	106,008	-	-	106,008
Due to other funds. . . . .	1,565	-	-	1,565
<b>Total liabilities. . . . .</b>	<b>884,994</b>	<b>-</b>	<b>135,250</b>	<b>1,020,244</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	353,040	-	-	353,040
Payment in lieu of taxes levied for the next fiscal year. . . . .	1,056	283	-	1,339
Delinquent property tax revenue not available. . . . .	13,747	-	-	13,747
Intergovernmental revenue not available . . . . .	168,551	-	-	168,551
<b>Total deferred inflows of resources . . . . .</b>	<b>536,394</b>	<b>283</b>	<b>-</b>	<b>536,677</b>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	17,123	-	-	17,123
Restricted:				
Debt service . . . . .	-	156,390	-	156,390
Capital improvements . . . . .	-	-	3,831,028	3,831,028
Classroom facilities maintenance . . . . .	2,615,558	-	-	2,615,558
Food service operations . . . . .	1,525,256	-	-	1,525,256
Targeted academic assistance . . . . .	10,372	-	-	10,372
Other purposes. . . . .	170,737	-	-	170,737
Extracurricular . . . . .	407,537	-	-	407,537
Unassigned (deficit) . . . . .	(142,138)	-	-	(142,138)
<b>Total fund balances . . . . .</b>	<b>4,604,445</b>	<b>156,390</b>	<b>3,831,028</b>	<b>8,591,863</b>
<b>Total liabilities, deferred inflow and fund balances. . . . .</b>	<b>\$ 6,025,833</b>	<b>\$ 156,673</b>	<b>\$ 3,966,278</b>	<b>\$ 10,148,784</b>



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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 408,195	\$ 79,167	\$ -	\$ 487,362
Payment in lieu of taxes . . . . .	1,056	284	-	1,340
Earnings on investments . . . . .	2,973	-	17,132	20,105
Charges for services . . . . .	2,834,919	-	-	2,834,919
Extracurricular . . . . .	505,067	-	-	505,067
Rental income . . . . .	-	-	42,840	42,840
Contributions and donations . . . . .	64,101	-	-	64,101
Contract services . . . . .	574,057	-	-	574,057
Other local revenues . . . . .	43,622	-	406,225	449,847
Intergovernmental - state . . . . .	890,975	12,729	-	903,704
Intergovernmental - federal . . . . .	4,845,263	-	171,002	5,016,265
<b>Total revenues . . . . .</b>	<b>10,170,228</b>	<b>92,180</b>	<b>637,199</b>	<b>10,899,607</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	1,143,932	-	20,456	1,164,388
Special . . . . .	1,162,027	-	-	1,162,027
Other . . . . .	219,799	-	-	219,799
Support services:				
Pupil . . . . .	137,463	-	-	137,463
Instructional staff . . . . .	416,773	-	-	416,773
Administration . . . . .	85,021	-	-	85,021
Fiscal . . . . .	7,343	1,661	-	9,004
Operations and maintenance . . . . .	1,330,172	-	15,851	1,346,023
Pupil transportation . . . . .	20,433	-	-	20,433
Operation of non-instructional services:				
Other non-instructional services . . . . .	596,247	-	-	596,247
Food service operations . . . . .	4,590,200	-	-	4,590,200
Extracurricular activities . . . . .	596,786	-	-	596,786
Facilities acquisition and construction . . . . .	128,132	-	1,223,602	1,351,734
Debt service:				
Principal retirement . . . . .	-	21,731	-	21,731
Interest and fiscal charges . . . . .	-	98,269	-	98,269
<b>Total expenditures . . . . .</b>	<b>10,434,328</b>	<b>121,661</b>	<b>1,259,909</b>	<b>11,815,898</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(264,100)	(29,481)	(622,710)	(916,291)
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	750,000	750,000
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>750,000</b>	<b>750,000</b>
Net change in fund balances . . . . .	(264,100)	(29,481)	127,290	(166,291)
<b>Fund balances at beginning of year . . . . .</b>	<b>4,868,545</b>	<b>185,871</b>	<b>3,703,738</b>	<b>8,758,154</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 4,604,445</b>	<b>\$ 156,390</b>	<b>\$ 3,831,028</b>	<b>\$ 8,591,863</b>

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

**Nonmajor Special Revenue Funds**

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

**Food Services**

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

**School Trusts**

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

**Facilities Maintenance**

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

**Student Activity**

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

**Data Communication**

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

**Summer School Subsidy**

A fund to account for the student intervention services.

**Alternative Schools**

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

**Straight A**

This fund accounts for grant monies received through the Straight A Programs which are restricted for projects that will provide for advancement in student achievement, achieve spending reductions in the five-year forecast or allow a greater share of resources to be utilized in the classroom.

**Miscellaneous State Grants**

To account for state grants not classified elsewhere.

**Race to the Top**

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

**IDEA Part B**

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

**Title III**

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

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

**Nonmajor Special Revenue Funds (Continued)**

**Title I**

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

**IDEA Preschool Grant**

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

**Title VI - R**

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

**Miscellaneous Federal Grants**

To account for federal grants not classified elsewhere.

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

**Uniform School Supplies**

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

**Public School Support**

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

**Other Local Grants**

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

**Termination Benefits**

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

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 1,794,773	\$ 14,500	\$ 2,661,099	\$ 423,262
Receivables:				
Property taxes . . . . .	-	-	404,247	-
Payment in lieu of taxes . . . . .	-	-	1,056	-
Intergovernmental . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	17,123	-	-	-
Inventory held for resale . . . . .	40,843	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 1,852,739</u>	<u>\$ 14,500</u>	<u>\$ 3,066,402</u>	<u>\$ 423,262</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 3,313	\$ -	\$ 83,001	\$ 15,079
Accrued wages and benefits payable . . . . .	236,404	-	-	-
Compensated absences payable . . . . .	1,660	-	-	-
Intergovernmental payable . . . . .	2,486	-	-	200
Pension and post employment obligation . . . . .	66,497	-	-	446
Due to other funds . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>310,360</u>	<u>-</u>	<u>83,001</u>	<u>15,725</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	-	-	353,040	-
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	-	1,056	-
Delinquent property tax revenue not available . . . . .	-	-	13,747	-
Intergovernmental revenue not available . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>367,843</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	17,123	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	2,615,558	-
Food service operations . . . . .	1,525,256	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes . . . . .	-	14,500	-	-
Extracurricular . . . . .	-	-	-	407,537
Unassigned (deficits) . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficits) . . . . .	<u>1,542,379</u>	<u>14,500</u>	<u>2,615,558</u>	<u>407,537</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 1,852,739</u>	<u>\$ 14,500</u>	<u>\$ 3,066,402</u>	<u>\$ 423,262</u>

<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>	<u>Title III</u>	<u>Title I</u>
\$ 1,552	\$ 228,911	\$ -	\$ 1	\$ -	\$ 74	\$ -
-	-	-	-	-	-	-
-	-	14,015	-	194,908	18,344	206,360
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,552</u>	<u>\$ 228,911</u>	<u>\$ 14,015</u>	<u>\$ 1</u>	<u>\$ 194,908</u>	<u>\$ 18,418</u>	<u>\$ 206,360</u>
\$ -	\$ -	\$ -	\$ -	\$ 46,385	\$ 1,962	\$ 196
-	73,809	-	-	169,125	8,521	125,668
-	-	-	-	-	-	-
-	925	-	-	2,528	124	1,605
-	10,147	926	-	22,587	1,399	4,006
-	-	-	-	1,388	-	117
-	<u>84,881</u>	<u>926</u>	-	<u>242,013</u>	<u>12,006</u>	<u>131,592</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,435	-	91,265	10,180	64,671
-	-	<u>2,435</u>	-	<u>91,265</u>	<u>10,180</u>	<u>64,671</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	10,097
1,552	144,030	10,654	1	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(138,370)	(3,768)	-
<u>1,552</u>	<u>144,030</u>	<u>10,654</u>	<u>1</u>	<u>(138,370)</u>	<u>(3,768)</u>	<u>10,097</u>
<u>\$ 1,552</u>	<u>\$ 228,911</u>	<u>\$ 14,015</u>	<u>\$ 1</u>	<u>\$ 194,908</u>	<u>\$ 18,418</u>	<u>\$ 206,360</u>

-- (Continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2016

	<b>Title VI - R</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ -	\$ 5,124,172
Receivables:		
Property taxes . . . . .	-	404,247
Payment in lieu of taxes . . . . .	-	1,056
Intergovernmental . . . . .	4,765	438,392
Materials and supplies inventory . . . . .	-	17,123
Inventory held for resale . . . . .	-	40,843
Total assets . . . . .	\$ 4,765	\$ 6,025,833
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ 4,430	\$ 154,366
Accrued wages and benefits payable . . . . .	-	613,527
Compensated absences payable . . . . .	-	1,660
Intergovernmental payable . . . . .	-	7,868
Pension and post employment obligation . . . . .	-	106,008
Due to other funds . . . . .	60	1,565
Total liabilities . . . . .	4,490	884,994
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year . . . . .	-	353,040
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	1,056
Delinquent property tax revenue not available . . . . .	-	13,747
Intergovernmental revenue not available . . . . .	-	168,551
Total deferred inflows of resources . . . . .	-	536,394
<b>Fund balances:</b>		
Nonspendable:		
Materials and supplies inventory . . . . .	-	17,123
Restricted:		
Classroom facilities maintenance . . . . .	-	2,615,558
Food service operations . . . . .	-	1,525,256
Targeted academic assistance . . . . .	275	10,372
Other purposes . . . . .	-	170,737
Extracurricular . . . . .	-	407,537
Unassigned (deficits) . . . . .	-	(142,138)
Total fund balances (deficits) . . . . .	275	4,604,445
Total liabilities, deferred inflows and fund balances . . . . .	\$ 4,765	\$ 6,025,833

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ 408,195	\$ -
Payment in lieu of taxes . . . . .	-	-	1,056	-
Earnings on investments . . . . .	2,973	-	-	-
Charges for services . . . . .	2,834,919	-	-	-
Extracurricular . . . . .	-	-	-	505,067
Contributions and donations . . . . .	-	19,582	-	44,519
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	43,622
Intergovernmental - state . . . . .	28,166	-	462,690	-
Intergovernmental - federal . . . . .	1,966,483	-	-	-
<b>Total revenues . . . . .</b>	<b>4,832,541</b>	<b>19,582</b>	<b>871,941</b>	<b>593,208</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	24,492	-	-
Special . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	777
Fiscal . . . . .	-	-	7,343	-
Operations and maintenance . . . . .	-	-	1,307,122	23,050
Pupil transportation . . . . .	-	-	-	-
Other non-instructional services . . . . .	-	-	-	-
Food service operations . . . . .	4,590,200	-	-	-
Extracurricular activities . . . . .	-	-	-	596,786
Facilities acquisition and construction . . . . .	-	-	128,132	-
<b>Total expenditures . . . . .</b>	<b>4,590,200</b>	<b>24,492</b>	<b>1,442,597</b>	<b>620,613</b>
Net change in fund balances . . . . .	242,341	(4,910)	(570,656)	(27,405)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<b>1,300,038</b>	<b>19,410</b>	<b>3,186,214</b>	<b>434,942</b>
<b>Fund balances (deficits) at end of year . . . . .</b>	<b>\$ 1,542,379</b>	<b>\$ 14,500</b>	<b>\$ 2,615,558</b>	<b>\$ 407,537</b>



<u>Data Communication</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Miscellaneous State Grants</u>	<u>Race to the Top</u>	<u>IDEA Part B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	574,057	-	-	-	-
-	-	-	-	-	-	-
25,200	-	-	374,919	-	-	-
-	-	-	-	-	32,883	1,515,026
<u>25,200</u>	<u>-</u>	<u>574,057</u>	<u>374,919</u>	<u>-</u>	<u>32,883</u>	<u>1,515,026</u>
-	-	-	198,022	-	3,702	-
-	-	-	-	-	-	1,089,037
-	-	-	-	-	-	219,799
25,200	-	-	-	-	-	112,263
-	-	-	180,993	-	25,852	81,657
-	-	-	3,778	-	-	80,466
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	576,586	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,200</u>	<u>-</u>	<u>576,586</u>	<u>382,793</u>	<u>-</u>	<u>29,554</u>	<u>1,583,222</u>
-	-	(2,529)	(7,874)	-	3,329	(68,196)
-	1,552	146,559	18,528	1	(3,329)	(70,174)
<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ 144,030</u>	<u>\$ 10,654</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (138,370)</u>

-- (Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Title III</u>	<u>Title I</u>	<u>IDEA Preschool Grant</u>	<u>Title VI - R</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes . . . . .	-	-	-	-
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	72,382	1,127,489	15,346	111,491
Total revenues . . . . .	<u>72,382</u>	<u>1,127,489</u>	<u>15,346</u>	<u>111,491</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	917,716	-	-
Special . . . . .	57,644	-	15,346	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	8,101	2,260	-	117,910
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	3,762	16,671	-	-
Other non-instructional services . . . . .	7,790	7,721	-	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Total expenditures . . . . .	<u>77,297</u>	<u>944,368</u>	<u>15,346</u>	<u>117,910</u>
Net change in fund balances . . . . .	(4,915)	183,121	-	(6,419)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<u>1,147</u>	<u>(173,024)</u>	<u>-</u>	<u>6,694</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ (3,768)</u>	<u>\$ 10,097</u>	<u>\$ -</u>	<u>\$ 275</u>

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 408,195
-	1,056
-	2,973
-	2,834,919
-	505,067
-	64,101
-	574,057
-	43,622
-	890,975
<u>4,163</u>	<u>4,845,263</u>
<u>4,163</u>	<u>10,170,228</u>
-	1,143,932
-	1,162,027
-	219,799
-	137,463
-	416,773
-	85,021
-	7,343
-	1,330,172
-	20,433
4,150	596,247
-	4,590,200
-	596,786
-	128,132
<u>4,150</u>	<u>10,434,328</u>
13	(264,100)
<u>(13)</u>	<u>4,868,545</u>
<u>\$ -</u>	<u>\$ 4,604,445</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Services</b>				
Total Revenues and Other Sources	\$ 3,966,000	\$ 3,966,000	\$ 4,532,744	\$ 566,744
Total Expenditures and Other Uses	<u>3,911,312</u>	<u>4,468,874</u>	<u>4,468,874</u>	<u>-</u>
Net Change in Fund Balances	54,688	(502,874)	63,870	566,744
Fund Balance at Beginning of Year	1,528,381	1,528,381	1,528,381	-
Prior Year Encumbrances Appropriated	<u>51,312</u>	<u>51,312</u>	<u>51,312</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,634,381</u>	<u>\$ 1,076,819</u>	<u>\$ 1,643,563</u>	<u>\$ 566,744</u>
<b>School Trusts</b>				
Total Revenues and Other Sources	\$ 15,000	\$ 61,860	\$ 19,582	\$ (42,278)
Total Expenditures and Other Uses	<u>55,051</u>	<u>62,506</u>	<u>24,707</u>	<u>37,799</u>
Net Change in Fund Balances	(40,051)	(646)	(5,125)	(4,479)
Fund Balance at Beginning of Year	18,317	18,317	18,317	-
Prior Year Encumbrances Appropriated	<u>1,308</u>	<u>1,308</u>	<u>1,308</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (20,426)</u>	<u>\$ 18,979</u>	<u>\$ 14,500</u>	<u>\$ (4,479)</u>
<b>Facilities Maintenance</b>				
Total Revenues and Other Sources	\$ 515,905	\$ 660,910	\$ 866,778	\$ 205,868
Total Expenditures and Other Uses	<u>1,421,128</u>	<u>2,098,129</u>	<u>1,756,495</u>	<u>341,634</u>
Net Change in Fund Balances	(905,223)	(1,437,219)	(889,717)	547,502
Fund Balance at Beginning of Year	2,944,107	2,944,107	2,944,107	-
Prior Year Encumbrances Appropriated	<u>241,128</u>	<u>241,128</u>	<u>241,128</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,280,012</u>	<u>\$ 1,748,016</u>	<u>\$ 2,295,518</u>	<u>\$ 547,502</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Student Activity</b>				
Total Revenues and Other Sources	\$ 585,000	\$ 631,080	\$ 593,208	\$ (37,872)
Total Expenditures and Other Uses	<u>817,213</u>	<u>920,619</u>	<u>709,552</u>	<u>211,067</u>
Net Change in Fund Balances	(232,213)	(289,539)	(116,344)	173,195
Fund Balance at Beginning of Year	374,638	374,638	374,638	-
Prior Year Encumbrances Appropriated	<u>70,844</u>	<u>70,844</u>	<u>70,844</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 213,269</u>	<u>\$ 155,943</u>	<u>\$ 329,138</u>	<u>\$ 173,195</u>
<b>Data Communication</b>				
Total Revenues and Other Sources	\$ 25,200	\$ 25,200	\$ 25,200	\$ -
Total Expenditures and Other Uses	<u>25,200</u>	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Summer School Subsidy</b>				
Fund Balance at Beginning of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Alternative Schools</b>				
Total Revenues and Other Sources	\$ 475,000	\$ 475,000	\$ 574,057	\$ 99,057
Total Expenditures and Other Uses	<u>480,000</u>	<u>567,533</u>	<u>567,533</u>	<u>-</u>
Net Change in Fund Balances	(5,000)	(92,533)	6,524	99,057
Fund Balance at Beginning of Year	<u>222,387</u>	<u>222,387</u>	<u>222,387</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 217,387</u>	<u>\$ 129,854</u>	<u>\$ 228,911</u>	<u>\$ 99,057</u>
<b>Straight A</b>				
Total Revenues and Other Sources	\$ 100,000	\$ 441,607	\$ 372,339	\$ (69,268)
Total Expenditures and Other Uses	<u>396,967</u>	<u>403,854</u>	<u>401,786</u>	<u>2,068</u>
Net Change in Fund Balances	(296,967)	37,753	(29,447)	(67,200)
Fund Balance (Deficit) at Beginning of Year	(33,862)	(33,862)	(33,862)	-
Prior Year Encumbrances Appropriated	<u>49,294</u>	<u>49,294</u>	<u>49,294</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (281,535)</u>	<u>\$ 53,185</u>	<u>\$ (14,015)</u>	<u>\$ (67,200)</u>
<b>Miscellaneous State Grants</b>				
Total Revenues and Other Sources	\$ 55,000	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Race to the Top</b>				
Total Revenues and Other Sources	\$ -	\$ 32,883	\$ 32,883	\$ -
Total Expenditures and Other Uses	29,554	29,554	29,554	-
Net Change in Fund Balances	(29,554)	3,329	3,329	-
Fund Balance (Deficit) at Beginning of Year	(32,883)	(32,883)	(32,883)	-
Prior Year Encumbrances Appropriated	29,554	29,554	29,554	-
Fund Balance (Deficit) at End of Year	<u>\$ (32,883)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>IDEA Part B</b>				
Total Revenues and Other Sources	\$ 1,450,000	\$ 1,696,483	\$ 1,585,375	\$ (111,108)
Total Expenditures and Other Uses	1,678,243	1,585,721	1,572,642	13,079
Net Change in Fund Balances	(228,243)	110,762	12,733	(98,029)
Fund Balance (Deficit) at Beginning of Year	(84,532)	(84,532)	(84,532)	-
Prior Year Encumbrances Appropriated	69,066	69,066	69,066	-
Fund Balance (Deficit) at End of Year	<u>\$ (243,709)</u>	<u>\$ 95,296</u>	<u>\$ (2,733)</u>	<u>\$ (98,029)</u>
<b>Title III</b>				
Total Revenues and Other Sources	\$ 49,789	\$ 110,282	\$ 81,653	\$ (28,629)
Total Expenditures and Other Uses	66,046	101,734	80,095	21,639
Net Change in Fund Balances	(16,257)	8,548	1,558	(6,990)
Fund Balance (Deficit) at Beginning of Year	(20,803)	(20,803)	(20,803)	-
Prior Year Encumbrances Appropriated	12,255	12,255	12,255	-
Fund Balance (Deficit) at End of Year	<u>\$ (24,805)</u>	<u>\$ -</u>	<u>\$ (6,990)</u>	<u>\$ (6,990)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Title I</b>				
Total Revenues and Other Sources	\$ 1,050,000	\$ 1,430,102	\$ 985,800	\$ (444,302)
Total Expenditures and Other Uses	<u>1,219,331</u>	<u>1,092,462</u>	<u>987,957</u>	<u>104,505</u>
Net Change in Fund Balances	(169,331)	337,640	(2,157)	(339,797)
Fund Balance (Deficit) at Beginning of Year	(58,761)	(58,761)	(58,761)	-
Prior Year Encumbrances Appropriated	<u>60,018</u>	<u>60,018</u>	<u>60,018</u>	<u>-</u>
Fund Balance (deficit) at End of Year	<u>\$ (168,074)</u>	<u>\$ 338,897</u>	<u>\$ (900)</u>	<u>\$ (339,797)</u>
<b>IDEA Preschool Grant</b>				
Total Revenues and Other Sources	\$ 15,000	\$ 15,346	\$ 15,346	\$ -
Total Expenditures and Other Uses	<u>15,346</u>	<u>15,346</u>	<u>15,346</u>	<u>-</u>
Net Change in Fund Balances	(346)	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (346)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Title VI - R</b>				
Total Revenues and Other Sources	\$ -	\$ 165,891	\$ 106,726	\$ (59,165)
Total Expenditures and Other Uses	<u>107,076</u>	<u>172,244</u>	<u>122,743</u>	<u>49,501</u>
Net Change in Fund Balances	(107,076)	(6,353)	(16,017)	(9,664)
Fund Balance at Beginning of Year	74	74	74	-
Prior Year Encumbrances Appropriated	<u>6,790</u>	<u>6,790</u>	<u>6,790</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (100,212)</u>	<u>\$ 511</u>	<u>\$ (9,153)</u>	<u>\$ (9,664)</u>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Federal Grant</b>				
Total Revenues and Other Sources	\$ -	\$ 5,000	\$ 4,163	\$ (837)
Total Expenditures and Other Uses	<u>3,600</u>	<u>4,163</u>	<u>4,163</u>	<u>-</u>
Net Change in Fund Balances	(3,600)	837	-	(837)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (3,600)</u>	<u>\$ 837</u>	<u>\$ -</u>	<u>\$ (837)</u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$ 500,000	\$ 609,670	\$ 430,256	\$ (179,414)
Total Expenditures and Other Uses	<u>638,433</u>	<u>590,590</u>	<u>415,913</u>	<u>174,677</u>
Net Change in Fund Balances	(138,433)	19,080	14,343	(4,737)
Fund Balance at Beginning of Year	25,009	25,009	25,009	-
Prior Year Encumbrances Appropriated	<u>16,082</u>	<u>16,082</u>	<u>16,082</u>	<u>-</u>
Fund Balance (deficit) at End of Year	<u>\$ (97,342)</u>	<u>\$ 60,171</u>	<u>\$ 55,434</u>	<u>\$ (4,737)</u>
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 140,000	\$ 213,634	\$ 280,274	\$ 66,640
Total Expenditures and Other Uses	<u>310,995</u>	<u>376,046</u>	<u>363,568</u>	<u>12,478</u>
Net Change in Fund Balances	(170,995)	(162,412)	(83,294)	79,118
Fund Balance at Beginning of Year	168,292	168,292	168,292	-
Prior Year Encumbrances Appropriated	<u>97,006</u>	<u>97,006</u>	<u>97,006</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 94,303</u>	<u>\$ 102,886</u>	<u>\$ 182,004</u>	<u>\$ 79,118</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Local Grants</b>				
Total Revenues and Other Sources	\$ 962,077	\$ 1,002,427	\$ 995,565	\$ (6,862)
Total Expenditures and Other Uses	<u>1,123,941</u>	<u>1,142,481</u>	<u>1,018,634</u>	<u>123,847</u>
Net Change in Fund Balances	(161,864)	(140,054)	(23,069)	116,985
Fund Balance at Beginning of Year	466,973	466,973	466,973	-
Prior Year Encumbrances Appropriated	<u>31,541</u>	<u>31,541</u>	<u>31,541</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 336,650</u>	<u>\$ 358,460</u>	<u>\$ 475,445</u>	<u>\$ 116,985</u>
<b>Termination Benefits</b>				
Total Expenditures and Other Uses	<u>\$ 515,382</u>	<u>\$ 697,502</u>	<u>\$ 682,930</u>	<u>\$ 14,572</u>
Net Change in Fund Balances	(515,382)	(697,502)	(682,930)	14,572
Fund Balance at Beginning of Year	<u>3,576,149</u>	<u>3,576,149</u>	<u>3,576,149</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 3,060,767</u>	<u>\$ 2,878,647</u>	<u>\$ 2,893,219</u>	<u>\$ 14,572</u>

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

**Nonmajor Debt Service Fund**

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

**Library Debt Service**

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

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Library Debt Service</b>				
Total Revenues and Other Sources	\$ 215,260	\$ 215,260	\$ 108,634	\$ (106,626)
Total Expenditures and Other Uses	<u>120,000</u>	<u>121,661</u>	<u>121,661</u>	<u>-</u>
Net Change in Fund Balances	95,260	93,599	(13,027)	(106,626)
Fund Balance at Beginning of Year	<u>169,417</u>	<u>169,417</u>	<u>169,417</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 264,677</u>	<u>\$ 263,016</u>	<u>\$ 156,390</u>	<u>\$ (106,626)</u>

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

**Nonmajor Capital Project Funds**

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

**Permanent Improvement**

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

**Building**

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

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2016

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 2,916,093	\$ 931,631	\$ 3,847,724
Cash in segregated accounts. . . . .	-	118,554	118,554
Total assets. . . . .	<u>\$ 2,916,093</u>	<u>\$ 1,050,185</u>	<u>\$ 3,966,278</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 13,008	\$ 3,636	\$ 16,644
Retainage payable . . . . .	-	118,554	118,554
Intergovernmental payable . . . . .	52	-	52
Total liabilities. . . . .	13,060	122,190	135,250
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	2,903,033	927,995	3,831,028
Total fund balances. . . . .	2,903,033	927,995	3,831,028
Total liabilities and fund balances . . . . .	<u>\$ 2,916,093</u>	<u>\$ 1,050,185</u>	<u>\$ 3,966,278</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ 130	\$ 17,002	\$ 17,132
Rental income . . . . .	42,840	-	42,840
Other local revenues . . . . .	91,845	314,380	406,225
Intergovernmental - federal . . . . .	171,002	-	171,002
<b>Total revenues . . . . .</b>	<b>305,817</b>	<b>331,382</b>	<b>637,199</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	20,456	-	20,456
Support services:			
Operations and maintenance . . . . .	15,851	-	15,851
Facilities acquisition and construction . . . . .	1,027,949	195,653	1,223,602
<b>Total expenditures . . . . .</b>	<b>1,064,256</b>	<b>195,653</b>	<b>1,259,909</b>
Excess of expenditures over revenues . . . . .	(758,439)	135,729	(622,710)
<b>Other financing sources:</b>			
Transfers in . . . . .	750,000	-	750,000
<b>Total other financing sources (uses) . . . . .</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>
Net change in fund balances . . . . .	(8,439)	135,729	127,290
<b>Fund balances at beginning of year . . . . .</b>	<b>2,911,472</b>	<b>792,266</b>	<b>3,703,738</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 2,903,033</b>	<b>\$ 927,995</b>	<b>\$ 3,831,028</b>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Permanent Improvement</b>				
Total Revenues and Other Sources	\$ -	\$ 249,716	\$ 1,055,817	\$ 806,101
Total Expenditures and Other Uses	1,810,009	2,127,508	2,034,505	93,003
Net Change in Fund Balances	(1,810,009)	(1,877,792)	(978,688)	899,104
Fund Balance at Beginning of Year	2,279,431	2,279,431	2,279,431	-
Prior Year Encumbrances Appropriated	1,050,009	1,050,009	1,050,009	-
Fund Balance at End of Year	<u>\$ 1,519,431</u>	<u>\$ 1,451,648</u>	<u>\$ 2,350,752</u>	<u>\$ 899,104</u>
<b>Building</b>				
Total Revenues and Other Sources	\$ -	\$ 331,412	\$ 331,382	\$ (30)
Total Expenditures and Other Uses	195,993	1,182,892	1,102,461	80,431
Net Change in Fund Balances	(195,993)	(851,480)	(771,079)	80,401
Fund Balance at Beginning of Year	655,516	655,516	655,516	-
Prior Year Encumbrances Appropriated	195,993	195,993	195,993	-
Fund Balance at End of Year	<u>\$ 655,516</u>	<u>\$ 29</u>	<u>\$ 80,430</u>	<u>\$ 80,401</u>



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

**Proprietary Fund Description**

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

**Self Insurance**

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Self-Insurance</b>				
Total Revenues and Other Sources	\$ 14,000,000	\$ 14,000,000	\$ 14,829,431	\$ 829,431
Total Expenditures and Other Uses	<u>13,000,000</u>	<u>13,000,000</u>	<u>12,113,660</u>	<u>886,340</u>
Net Change in Fund Balances	1,000,000	1,000,000	2,715,771	1,715,771
Fund Balance at Beginning of Year	<u>4,194,347</u>	<u>4,194,347</u>	<u>4,194,347</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,194,347</u>	<u>\$ 5,194,347</u>	<u>\$ 6,910,118</u>	<u>\$ 1,715,771</u>

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

**Fiduciary Funds**

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

**Private-Purpose Trust Fund**

**Endowment**

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

**Agency Funds**

**District Agency**

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

**Student Activity**

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Endowment</b>				
Total Revenues and Other Sources	\$ -	\$ 6,000	\$ 5,325	\$ (675)
Total Expenditures and Other Uses	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Net Change in Fund Balances	-	4,800	4,125	(675)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 4,800</u>	<u>\$ 4,125</u>	<u>\$ (675)</u>

**PICKERINGTON LOCAL SCHOOLS  
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Beginning Balance July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2016</b>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 63,668	\$ 186,359	\$ 166,683	\$ 83,344
Total assets . . . . .	<u>\$ 63,668</u>	<u>\$ 186,359</u>	<u>\$ 166,683</u>	<u>\$ 83,344</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 42,203	\$ 56,949	\$ 42,203	\$ 56,949
Intergovernmental payable. . . . .	7,988	98	7,988	98
Deposits held and due to others. . . . .	<u>13,477</u>	<u>129,312</u>	<u>116,492</u>	<u>26,297</u>
Total liabilities . . . . .	<u>\$ 63,668</u>	<u>\$ 186,359</u>	<u>\$ 166,683</u>	<u>\$ 83,344</u>
<b>Student Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 132,340	\$ 263,144	\$ 238,008	\$ 157,476
Total assets . . . . .	<u>\$ 132,340</u>	<u>\$ 263,144</u>	<u>\$ 238,008</u>	<u>\$ 157,476</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,555	\$ 4,068	\$ 2,555	\$ 4,068
Due to students . . . . .	<u>129,785</u>	<u>259,076</u>	<u>235,453</u>	<u>153,408</u>
Total liabilities. . . . .	<u>\$ 132,340</u>	<u>\$ 263,144</u>	<u>\$ 238,008</u>	<u>\$ 157,476</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 196,008	\$ 449,503	\$ 404,691	\$ 240,820
Total assets . . . . .	<u>\$ 196,008</u>	<u>\$ 449,503</u>	<u>\$ 404,691</u>	<u>\$ 240,820</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 44,758	\$ 61,017	\$ 44,758	\$ 61,017
Accrued Wages and benefits . . . . .	7,988	98	7,988	98
Deposits held and due to others . . . . .	13,477	129,312	116,492	26,297
Due to students . . . . .	<u>129,785</u>	<u>259,076</u>	<u>235,453</u>	<u>153,408</u>
Total liabilities. . . . .	<u>\$ 196,008</u>	<u>\$ 449,503</u>	<u>\$ 404,691</u>	<u>\$ 240,820</u>

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## STATISTICAL SECTION

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

STATISTICAL SECTION

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

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

**Sources:** Sources are noted on the individual schedules.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014 (3)</u>	<u>2013</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 48,368,374	\$ 47,937,548	\$ 49,003,234	\$ 50,969,833
Restricted	12,874,772	12,892,373	13,471,914	14,188,211
Unrestricted (deficit)	<u>(114,284,072)</u>	<u>(123,921,792)</u>	<u>(133,083,954)</u>	<u>14,377,478</u>
Total governmental activities net position	<u>\$ (53,040,926)</u>	<u>\$ (63,091,871)</u>	<u>\$ (70,608,806)</u>	<u>\$ 79,535,522</u>

- (1) Amounts of fiscal year 2011 were reclassified to attribute accreted interest on capital appreciation bonds to restricted for debt service rather than unrestricted to conform to presentation in fiscal year 2012.
- (2) Amounts have been restated to reflect a restatement to GASB Statement No. 65.
- (3) Amounts have been restated to reflect a restatement for GASB Statement No. 68.

**Source:** School District financial records.

<b>2012 (2)</b>	<b>2011 (1)</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 49,036,160	\$ 26,012,261	\$ 8,748,029	\$ 8,765,183	\$ 7,887,455	\$ 7,639,245
15,100,633	42,658,687	79,798,417	78,804,109	23,739,089	18,391,211
6,287,194	1,238,352	(16,176,349)	(5,250,879)	(4,668,772)	(2,730,099)
<u>\$ 70,423,987</u>	<u>\$ 69,909,300</u>	<u>\$ 72,370,097</u>	<u>\$ 82,318,413</u>	<u>\$ 26,957,772</u>	<u>\$ 23,300,357</u>

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

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

<b>Expenses</b>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:				
Instruction:				
Regular	\$ 50,113,119	\$ 52,583,534	\$ 54,421,633	\$ 48,191,201
Special	15,406,568	14,636,818	13,059,009	8,872,090
Vocational	575,131	374,565	413,924	332,180
Other instructional	3,505,283	3,352,317	3,833,072	3,852,328
Support services:				
Pupil	6,493,988	6,330,512	6,284,145	5,481,281
Instructional staff	5,831,566	6,114,863	5,024,779	6,283,346
Board of education	679,391	811,526	670,829	509,010
Administration	8,105,447	7,614,934	7,957,351	7,878,590
Fiscal	2,079,635	2,019,426	1,988,705	1,928,272
Business	546,554	415,695	399,604	552,441
Operations and maintenance	11,285,198	11,069,229	10,989,488	10,547,461
Pupil transportation	6,046,787	5,848,200	5,811,014	5,335,857
Central	664,189	653,365	65,492	85,766
Operation of non-instructional services:				
Other non-instructional services	573,252	703,955	628,776	444,275
Food service operations	5,258,365	4,973,348	5,067,549	4,795,927
Extracurricular activities	2,562,454	2,498,975	2,576,374	2,435,911
Interest and fiscal charges	5,973,498	6,233,371	6,822,724	7,277,760
Total governmental activities expenses	<u>125,700,425</u>	<u>126,234,633</u>	<u>126,014,468</u>	<u>114,803,696</u>

	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	47,965,763	\$ 53,303,768	\$ 55,599,841	\$ 49,069,735	\$ 47,880,000	\$ 45,562,366
	8,396,846	9,164,454	8,960,949	7,847,020	7,249,632	6,782,936
	438,906	1,039,530	1,114,525	1,115,837	1,098,881	1,074,249
	3,417,335	2,973,424	3,055,912	2,824,261	2,413,847	2,217,708
	4,903,756	5,389,487	5,150,296	4,669,725	4,422,909	4,196,561
	5,487,355	7,518,291	7,571,863	6,755,547	5,837,143	5,741,358
	528,244	716,717	575,199	528,045	522,851	455,248
	8,099,300	8,301,524	8,822,490	7,916,045	7,476,862	7,273,966
	1,854,338	1,867,031	1,744,987	1,718,035	1,789,425	1,571,452
	540,477	509,414	578,191	624,827	44,051	185,988
	10,440,229	9,890,158	9,740,418	9,375,277	9,267,414	8,238,497
	5,556,206	5,621,125	5,966,014	5,034,148	5,701,343	5,286,583
	157,325	175,403	171,148	176,045	162,150	50,333
	48,703	54,984	73,232	72,379	65,316	124,132
	4,480,977	4,773,849	4,379,685	4,134,640	3,635,100	3,224,778
	2,219,007	2,777,341	3,135,454	2,799,921	2,772,116	2,503,424
	7,142,096	8,865,592	8,540,803	8,870,980	8,899,230	7,157,888
	<u>111,676,863</u>	<u>122,942,092</u>	<u>125,181,007</u>	<u>113,532,467</u>	<u>109,238,270</u>	<u>101,647,467</u>

- - (Continued)

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

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

<b>Program Revenues</b>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 294,156	\$ 413,703	\$ 319,741	\$ 396,667
Special	227,711	137,823	146,445	332,353
Vocational	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Instructional staff	-	-	-	-
Administration	632	597	-	-
Operations and maintenance	308,347	360,333	351,608	413,452
Pupil transportation	-	222	-	-
Operation of non-instructional services:				
Other non-instructional services	574,057	558,214	515,010	426,313
Food service operations	2,834,919	2,701,769	2,708,492	2,599,874
Extracurricular activities	1,689,963	1,822,574	1,741,297	1,754,879
Interest and fiscal charges	-	-	-	-
Operating grants and contributions:				
Instruction:				
Regular	1,008,051	2,326,850	1,971,431	1,206,510
Special	6,946,821	6,960,937	6,304,235	3,260,158
Vocational	43,705	292,581	108,287	161,459
Other instructional	202,665	-	-	-
Support services:				
Pupil	126,920	199,543	177,561	280,821
Instructional staff	336,166	753,901	167,773	699,679
Board of education	-	-	-	-
Administration	78,028	95,262	70,823	104,550
Fiscal	-	-	-	-
Operations and maintenance	3,274	9,504	88	-
Pupil transportation	384,176	320,815	297,878	289,399
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	16,000	9,571	6,464	22,334
Food service operations	1,997,622	1,691,075	1,608,529	1,731,032
Extracurricular activities	84,757	83,911	54,240	144,887
Capital grants and contributions:				
Support services:				
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>17,157,970</u>	<u>18,739,185</u>	<u>16,549,902</u>	<u>13,824,367</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (108,542,455)</u>	<u>\$ (107,495,448)</u>	<u>\$ (109,464,566)</u>	<u>\$ (100,979,329)</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 400,762	\$ 591,367	\$ 860,381	\$ 901,498	\$ 801,384	\$ 749,201
110,326	119,792	106,344	108,657	91,572	3,103
-	-	-	139	187	-
-	-	10,697	5,022	6,031	-
-	-	31,957	15,959	89,088	29,505
-	334	-	885	282	1,567
238,207	215,484	54,363	-	82,536	80,485
-	-	-	91,567	-	-
-	-	63,026	-	75,782	-
2,602,529	2,699,934	2,625,572	2,568,292	2,458,391	2,321,306
1,792,450	1,167,595	1,116,425	1,200,698	972,586	951,885
-	-	-	-	-	140,458
1,035,249	5,574,084	2,564,164	542,764	591,395	529,021
3,610,517	4,232,299	2,120,356	3,943,115	3,219,492	3,005,521
258,492	161,459	160,257	164,317	147,101	159,709
-	110,711	78,617	6,514	-	-
156,673	906,355	664,504	607,168	513,983	580,490
529,648	771,985	980,809	575,271	403,977	389,625
5,993	-	-	-	-	-
143,298	196,426	192,050	167,290	116,717	135,547
11,070	-	-	-	32,306	32,728
-	924	4,600	21,308	1,075	12,722
244,477	231,061	232,614	221,562	200,395	223,805
13,722	1,047	-	1,690	3,134	796
12,096	8,090	23,636	51,795	8,660	113,868
1,267,175	1,462,317	1,188,141	1,011,157	900,180	758,837
58,518	42,975	208,391	163,631	159,950	153,398
-	-	-	82,369	44,517	64,544
<u>12,491,202</u>	<u>18,494,239</u>	<u>13,286,904</u>	<u>12,452,668</u>	<u>10,920,721</u>	<u>10,438,121</u>
<u>\$ (99,185,661)</u>	<u>\$ (104,447,853)</u>	<u>\$ (111,894,103)</u>	<u>\$ (101,079,799)</u>	<u>\$ (98,317,549)</u>	<u>\$ (91,209,346)</u>

-- (Continued)

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

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

**General Revenues and Other Changes in Net Position**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 36,106,097	\$ 34,979,215	\$ 35,414,027	\$ 35,135,446
Debt service	11,521,302	11,887,612	12,455,646	13,164,444
Facility maintenance	406,199	393,402	396,949	390,768
School district income tax	16,422,435	15,672,186	15,270,666	14,590,961
Grants and entitlements not restricted to specific programs	53,389,530	51,554,417	46,905,607	46,307,569
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	-
Payment in lieu of taxes	125,137	139,767	125,277	250,434
Investment earnings	400,335	202,166	107,548	109,951
Miscellaneous	222,365	183,618	219,299	141,291
Total governmental activities	118,593,400	115,012,383	110,895,019	110,090,864
Special Item:				
Refund from OME-RESA	-	-	-	-
Total special item	-	-	-	-
Total primary government	\$ 118,593,400	\$ 115,012,383	\$ 110,895,019	\$ 110,090,864
<b>Change in Net Position</b>				
Governmental activities	\$ 10,050,945	\$ 7,516,935	\$ 1,430,453	\$ 9,111,535

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

**Source:** School District financial records.



<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 29,651,216	\$ 28,516,543	\$ 27,409,960	\$ 28,346,890	\$ 27,592,489	\$ 25,849,872
12,190,336	13,419,079	12,690,376	13,086,748	13,032,040	11,451,584
350,108	376,312	359,894	370,320	367,422	362,940
14,182,466	13,646,693	12,328,783	12,707,691	12,722,150	12,303,735
45,157,451	44,587,183	48,622,410	47,962,247	44,083,762	42,499,856
-	-	-	52,387,820	-	-
152,625	231,511	93,764	93,577	-	-
91,970	206,830	311,036	1,438,880	3,798,530	3,171,236
142,219	104,079	129,564	46,267	378,571	114,942
<u>101,918,391</u>	<u>101,088,230</u>	<u>101,945,787</u>	<u>156,440,440</u>	<u>101,974,964</u>	<u>95,754,165</u>
-	-	-	-	-	78,432
-	-	-	-	-	78,432
<u>\$ 101,918,391</u>	<u>\$ 101,088,230</u>	<u>\$ 101,945,787</u>	<u>\$ 156,440,440</u>	<u>\$ 101,974,964</u>	<u>\$ 95,832,597</u>
<u>\$ 2,732,730</u>	<u>\$ (3,359,623)</u>	<u>\$ (9,948,316)</u>	<u>\$ 55,360,641</u>	<u>\$ 3,657,415</u>	<u>\$ 4,623,251</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:				
Nonspendable	\$ 78,975	\$ -	\$ 118,500	\$ 107,625
Restricted	-	-	-	22,684
Committed	2,893,219	2,963,215	3,624,257	2,210,191
Assigned	5,322,251	3,222,726	1,822,635	2,550,378
Unassigned	22,321,594	17,481,887	16,572,130	11,395,873
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 30,616,039</u>	<u>\$ 23,667,828</u>	<u>\$ 22,137,522</u>	<u>\$ 16,286,751</u>
All Other Governmental Funds:				
Nonspendable	\$ 17,123	\$ 13,514	\$ 64,316	\$ 39,850
Restricted	23,676,088	23,771,959	24,643,125	27,473,193
Unassigned (deficit)	(142,138)	(246,540)	(679,630)	(244,534)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>23,551,073</u>	<u>23,538,933</u>	<u>24,027,811</u>	<u>27,268,509</u>
Total governmental funds	<u>\$ 54,167,112</u>	<u>\$ 47,206,761</u>	<u>\$ 46,165,333</u>	<u>\$ 43,555,260</u>

**Source:** School District financial records.

**Note:** The School District implemented GASB 54 in 2011.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 108,010	\$ 108,045	\$ -	\$ -	\$ -	\$ -
22,684	22,684	-	-	-	-
300,000	300,000	-	-	-	-
2,050,500	2,641,294	-	-	-	-
6,265,808	110,176	-	-	-	-
-	-	3,727,023	4,482,583	4,040,380	5,752,961
-	-	2,458,979	7,991,343	7,584,023	4,447,162
<u>\$ 8,747,002</u>	<u>\$ 3,182,199</u>	<u>\$ 6,186,002</u>	<u>\$ 12,473,926</u>	<u>\$ 11,624,403</u>	<u>\$ 10,200,123</u>
\$ 58,429	\$ 38,990	\$ -	\$ -	\$ -	\$ -
31,574,010	40,828,063	-	-	-	-
(76,568)	(204,867)	-	-	-	-
-	-	21,517,418	22,637,462	48,142,449	20,186,286
-	-	5,820,541	4,817,266	4,909,347	4,260,742
-	-	10,962,492	5,153,568	12,362,602	53,492,285
<u>31,555,871</u>	<u>40,662,186</u>	<u>38,300,451</u>	<u>32,608,296</u>	<u>65,414,398</u>	<u>77,939,313</u>
<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>	<u>\$ 44,486,453</u>	<u>\$ 45,082,222</u>	<u>\$ 77,038,801</u>	<u>\$ 88,139,436</u>

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 48,311,351	\$ 47,765,095	\$ 48,582,958	\$ 48,507,280
Income taxes	16,389,847	15,672,186	15,188,075	14,596,621
Payment in lieu of taxes	125,137	139,767	125,277	250,434
Tuition	521,867	551,526	466,186	691,700
Earnings on investments	385,481	185,133	111,370	110,194
Charges for services	2,834,919	2,716,953	2,708,492	2,599,874
Extracurricular	1,279,098	1,261,700	1,274,825	1,368,600
Classroom materials and fees	430,256	561,693	466,472	386,279
Rental income	289,588	345,149	351,608	413,452
Contributions and donations	109,640	129,055	109,366	88,835
Contract services	574,057	558,214	515,010	463,633
Other local revenues	645,349	323,177	299,273	309,260
Intergovernmental - state	59,029,977	60,108,748	52,762,757	49,940,626
Intergovernmental - federal	5,492,170	4,328,297	4,406,656	4,110,319
Total revenues	<u>136,418,737</u>	<u>134,646,693</u>	<u>127,368,325</u>	<u>123,837,107</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	45,695,863	48,293,659	45,750,261	42,339,621
Special	15,618,619	15,066,535	12,356,400	8,538,566
Vocational	545,041	382,690	411,316	308,389
Other	3,504,538	3,346,363	3,721,804	3,833,367
Current:				
Pupil	6,482,670	6,386,634	5,969,392	5,265,106
Instructional staff	5,510,701	5,925,934	4,473,080	5,818,828
Board of education	679,617	809,811	651,376	506,489
Administration	8,096,425	7,740,925	7,530,249	7,656,407
Fiscal	2,079,279	2,000,231	1,925,144	1,926,529
Business	548,354	410,323	390,550	546,366
Operations and maintenance	10,804,094	10,600,602	10,202,628	10,084,344
Pupil transportation	5,890,346	5,709,630	5,499,852	5,130,192
Central	690,051	636,445	63,593	85,341
Operation of non-instructional services:				
Other non-instructional services	676,954	693,780	610,543	442,074
Food service operations	4,590,200	4,266,390	4,163,019	4,003,238
Extracurricular activities	2,432,250	2,363,041	2,350,863	2,263,488
Facilities acquisitions and construction	1,369,456	2,020,178	3,437,010	6,652,260
Capital outlay	174,356	1,520,417	1,669,919	925,275
Debt service:				
Principal retirement	9,843,366	8,842,905	10,185,887	10,000,103
Interest and fiscal charges	4,400,562	5,419,681	5,065,285	5,184,012
Bond issuance costs	145,182	320,256	-	-
Total expenditures	<u>129,777,924</u>	<u>132,756,430</u>	<u>126,428,171</u>	<u>121,509,995</u>
Excess (deficiency) of revenues over (under) expenditures	6,640,813	1,890,263	940,154	2,327,112

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 42,782,880	\$ 41,258,734	\$ 41,103,153	\$ 41,292,565	\$ 41,374,565	\$ 36,574,014
14,139,974	13,600,552	12,328,783	12,707,691	12,722,150	12,303,735
152,625	231,511	93,764	-	-	-
511,088	393,460	431,780	462,861	502,651	364,682
121,009	195,227	379,180	1,549,097	4,248,136	2,774,353
2,602,529	2,699,934	2,625,572	2,568,292	2,458,391	2,321,306
1,319,523	1,084,725	1,015,191	987,737	990,206	924,704
472,927	436,836	498,254	479,304	471,680	471,038
238,207	207,801	212,066	392,681	28,800	140,458
74,891	44,207	115,477	109,700	-	-
394,464	-	-	51,244	-	-
277,265	211,260	315,056	228,291	682,034	442,059
66,401,300	69,553,463	59,931,199	51,990,846	47,605,837	45,708,793
6,491,029	8,288,504	7,685,262	3,236,286	3,088,903	2,541,278
<u>135,979,711</u>	<u>138,206,214</u>	<u>126,734,737</u>	<u>116,056,595</u>	<u>114,173,353</u>	<u>104,566,420</u>
43,181,514	46,784,345	46,539,027	45,788,488	44,385,494	42,491,231
8,155,136	8,878,709	8,774,522	7,672,561	7,085,188	6,630,911
418,464	1,061,573	1,080,428	1,099,164	1,107,582	1,051,999
3,410,655	2,966,744	3,049,232	2,817,581	2,404,790	2,216,745
4,787,908	5,217,514	4,976,200	4,467,457	4,323,183	4,100,926
5,102,064	7,130,627	7,416,364	6,481,033	5,602,688	5,477,664
522,884	711,357	569,839	522,685	517,491	449,888
7,954,131	8,240,838	8,668,252	7,899,344	7,548,391	7,319,310
1,854,292	1,865,065	1,736,225	1,721,471	1,798,451	1,570,047
535,674	502,468	572,732	618,494	85,315	186,834
9,991,213	9,648,741	9,340,562	8,764,331	8,316,116	7,470,768
5,385,979	5,445,342	6,247,484	4,979,336	5,516,101	5,346,721
165,403	175,442	165,243	171,022	162,150	83,733
48,703	54,984	73,232	72,379	65,316	124,132
3,839,705	4,180,731	3,989,268	3,621,376	3,256,499	2,755,163
2,053,384	2,585,584	2,975,439	2,631,807	2,612,138	2,347,040
27,039,867	18,928,748	6,838,942	34,760,364	16,959,574	4,931,875
-	-	-	-	-	-
9,770,591	9,030,543	8,532,187	7,962,219	7,445,000	5,655,780
5,303,656	5,438,927	5,742,451	5,928,532	6,077,208	4,427,777
-	-	-	-	-	460,097
<u>139,521,223</u>	<u>138,848,282</u>	<u>127,287,629</u>	<u>147,979,644</u>	<u>125,268,675</u>	<u>105,098,641</u>
(3,541,512)	(642,068)	(552,892)	(31,923,049)	(11,095,322)	(532,221)

-- (Continued)

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 750,000	\$ 2,175,706	\$ 1,000,000	\$ 1,397,457
Transfers (out)	(750,000)	(4,188,219)	(1,000,000)	(1,397,457)
Premium on refunding bonds	1,176,960	3,339,125	-	-
Sale of capital assets	-	-	-	-
Issuance of refunding bonds	8,805,000	27,875,000	-	-
Payment to refunding bond escrow agent	(9,836,778)	(31,570,864)	-	-
Lease purchase transaction	174,356	1,520,417	1,669,919	925,275
Total other financing sources	<u>319,538</u>	<u>(848,835)</u>	<u>1,669,919</u>	<u>925,275</u>
<b>Special Item</b>				
Refund from OME-RESA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 6,960,351</u>	<u>\$ 1,041,428</u>	<u>\$ 2,610,073</u>	<u>\$ 3,252,387</u>
Capital expenditures	\$ 727,746	\$ 1,741,107	\$ 269,320	\$ 7,086,162
Debt service as a percentage of noncapital expenditures	11.04%	10.89%	12.09%	13.27%

**Source:** School District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,100,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
(1,100,000)	-	(2,000,000)	-	-	-
-	-	-	-	-	1,211,944
-	-	-	162	-	-
-	-	-	-	-	59,900,000
-	-	-	-	-	-
-	-	-	-	-	1,432,601
<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>	<u>-</u>	<u>62,544,545</u>
-	-	-	-	-	78,432
<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>	<u>\$ (552,892)</u>	<u>\$ (31,922,887)</u>	<u>\$ (11,095,322)</u>	<u>\$ 62,090,756</u>
\$ 26,855,794	\$ 17,295,601	\$ 3,787,618	\$ 34,603,839	\$ 16,471,688	\$ 4,579,641
13.38%	11.90%	11.56%	12.25%	12.43%	10.49%

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

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

Tax Year/ Collection Year	Real Property (A)		Tangible Personal Property (B)		Public Utility (C)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2015	\$ 1,120,904,800	\$ 3,202,585,143	\$ -	\$ -	\$ 21,084,440	\$ 84,337,760
2014	1,096,505,620	3,132,873,200	-	-	19,304,470	77,217,880
2013	1,085,034,410	3,100,098,314	-	-	18,770,810	75,083,240
2012	1,111,113,150	3,174,609,000	-	-	18,106,270	72,425,080
2011	1,098,339,860	3,138,113,886	-	-	14,927,250	59,709,000
2010	1,101,144,820	3,146,128,057	415,910	1,663,640	14,451,250	57,805,000
2009	1,142,219,960	3,263,485,600	819,627	3,278,508	13,415,950	38,331,286
2008	1,122,774,350	3,207,926,714	5,172,720	20,690,880	12,697,600	36,278,857
2007	1,122,831,790	3,208,090,829	4,844,002	19,376,008	12,640,160	36,114,743
2006	1,020,662,560	2,916,178,743	6,205,133	24,820,532	14,706,530	42,018,657

**Source:** Fairfield County Auditor's Office

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

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

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



		<b>Total</b>		
<b>Total Direct Tax Rate</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	
\$ 83.60	\$ 1,141,989,240	\$ 3,286,922,903	34.74%	
84.70	1,115,810,090	3,210,091,080	34.76%	
84.70	1,103,805,220	3,175,181,554	34.76%	
85.40	1,129,219,420	3,247,034,080	34.78%	
85.90	1,113,267,110	3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	
80.10	1,156,455,537	3,305,095,394	34.99%	
79.70	1,140,644,670	3,264,896,451	34.94%	
80.20	1,140,315,952	3,263,581,579	34.94%	
80.60	1,041,574,223	2,983,017,932	34.92%	

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

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

Tax Year/ Collection Year	Franklin County	Fairfield County	City of Pickerington	City of Reynoldsburg	City of Columbus	Pickerington Local School District					
						Voted			Unvoted	Total	
						General	Bond	Classroom Facilities			Permanent Improvement
2015/2016	18.47	10.40	7.80	0.70	2.90	67.70	10.90	0.50	-	4.50	83.60
2014/2015	18.47	8.55	7.80	0.70	2.90	67.70	12.00	0.50	-	4.50	84.70
2013/2014	18.47	8.55	7.80	0.70	2.90	67.70	12.00	0.50	-	4.50	84.70
2012/2013	18.47	8.55	7.80	0.70	2.30	67.70	12.70	0.50	-	4.50	85.40
2011/2012	18.07	8.55	7.80	0.70	2.90	67.70	13.20	0.50	-	4.50	85.90
2010/2011	18.07	8.55	7.80	0.70	2.90	62.20	13.50	0.50	-	4.50	80.70
2009/2010	18.02	8.55	7.80	0.70	2.90	62.20	12.90	0.50	-	4.50	80.10
2008/2009	18.02	7.55	7.80	0.70	2.90	62.20	12.50	0.50	-	4.50	79.70
2007/2008	18.49	7.55	7.80	0.70	2.90	62.20	13.00	0.50	-	4.50	80.20
2006/2007	17.79	7.55	7.80	0.70	2.90	62.20	13.40	0.50	-	4.50	80.60

Source: Fairfield County and Franklin County Auditor's Offices

<b>Madison Township</b>	<b>Madison Township - City of Pickerington</b>	<b>Violet Township</b>	<b>Violet City of Pickerington/ Reynoldsburg</b>	<b>Liberty Township</b>	<b>School District Public Library</b>	<b>Eastland Joint Vocational School</b>	<b>Tax Year/ Collection Year</b>
27.05	26.45	17.85	16.15	11.57	0.75	2.00	2015/2016
21.80	21.20	17.85	16.15	11.57	0.75	2.00	2014/2015
21.80	21.20	14.05	12.35	11.57	0.75	2.00	2013/2014
21.80	21.20	14.05	12.35	11.57	0.75	2.00	2012/2013
21.80	21.20	14.05	12.35	11.57	0.85	2.00	2011/2012
21.80	21.20	14.05	12.35	11.57	0.87	2.00	2010/2011
21.80	21.20	14.05	12.35	11.57	0.90	2.00	2009/2010
21.80	21.20	14.05	12.35	11.57	0.15	2.00	2008/2009
21.80	21.20	13.85	12.15	11.57	0.15	2.00	2007/2008
21.80	21.20	12.85	12.15	11.57	0.15	2.00	2006/2007

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

PRINCIPAL PROPERTY TAX PAYERS  
DECEMBER 31, 2015 AND DECEMBER 31, 2006

<b>December 31, 2015</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Creekside I Acquisition LLC	\$ 6,936,370	1	0.61%
Brentwood Lake Apartments, LLC	6,496,170	2	0.57%
Pickerington Ridge	5,946,260	3	0.52%
Kroger Company	5,823,970	4	0.51%
Lakepoint OH Partners LLC	4,964,150	5	0.43%
AERC Turnberry Holdings LLC	4,685,330	6	0.41%
Kengary Way OH Partners LLC	4,387,940	7	0.38%
Target Corporation	4,248,410	8	0.37%
Pickerington Square LP	4,227,630	9	0.37%
OH Retail II LLC	3,841,130	10	0.34%
<b>Total</b>	<b>\$ 51,557,360</b>		<b>\$ 1,141,989,240</b>

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
ANYI Apartments LLC	\$ 7,568,750	1	0.73%
Pickerington Apartments LLC	5,922,760	2	0.57%
NOCA Apartments One Limited	5,730,010	3	0.55%
AERC Turnberry Inc.	5,105,560	4	0.49%
Homewood Corporation	4,777,090	5	0.46%
Dominion Homes Inc.	4,569,090	6	0.44%
Regency Centers LP	4,126,160	7	0.40%
NOCA Retail Development	3,607,000	8	0.35%
Brooksedge at Tussing Inc.	3,465,000	9	0.33%
Interstate Limited Partnership	3,360,790	10	0.32%
<b>Total</b>	<b>\$ 48,232,210</b>		<b>\$ 1,041,574,223</b>

**Source:** Fairfield County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (1)</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy (1)</b>
2015/2016	\$ 53,225,140	\$ 52,090,420	97.87%	\$ 946,409	\$ 53,036,829	99.65%
2014/2015	52,557,912	51,603,193	98.18%	940,015	52,543,208	99.97%
2013/2014	51,574,634	50,546,135	98.01%	1,014,241	51,560,376	99.97%
2012/2013	53,150,255	52,056,550	97.94%	983,980	53,040,530	99.79%
2011/2012	52,683,360	51,537,170	97.82%	841,025	52,378,195	99.42%
2010/2011	47,007,065	45,820,100	97.47%	1,690,921	47,511,021	101.07%
2009/2010	45,892,289	44,294,246	96.52%	1,265,356	45,559,602	99.28%
2008/2009	45,497,947	43,960,111	96.62%	1,404,352	45,364,463	99.71%
2007/2008	42,910,126	41,355,774	96.38%	1,140,168	42,495,942	99.03%
2006/2007	42,652,185	40,545,738	95.06%	1,127,694	41,673,432	97.71%

**Source:** Fairfield County Auditor's Office

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

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

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	<u>Governmental Activities</u>		(B) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Lease Obligations				
2016	\$ 125,743,239	\$ 1,632,278	\$ 127,375,517	\$ 6,529	\$ 12,604	20.23%
2015	132,316,895	2,866,287	135,183,182	6,930	13,222	22.11%
2014	136,565,316	2,685,485	139,250,801	7,353	13,672	23.78%
2013	144,313,990	1,841,453	146,155,443	7,844	14,316	25.12%
2012	152,261,604	1,016,281	153,277,885	8,332	14,903	28.11%
2011	160,256,317	1,096,872	161,353,189	10,773	15,211	35.19%
2010	165,977,218	1,172,415	167,149,633	11,349	15,841	43.92%
2009	171,722,208	1,309,602	173,031,810	11,834	16,636	45.80%
2008	176,867,630	1,371,821	178,239,451	12,313	17,468	47.65%
2007	181,758,369	1,371,821	183,130,190	12,878	18,284	49.84%

**Sources:**

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

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

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Net Position Restricted for Debt Service	Net Bonded Debt		
2016	\$ 125,743,239	\$ 4,317,198	\$ 121,426,041	3.69%	\$ 6,224
2015	132,316,895	3,645,002	128,671,893	4.01%	6,596
2014	136,565,316	3,562,647	133,002,669	4.19%	7,023
2013	144,313,990	2,683,248	141,630,742	4.36%	7,601
2012	152,261,604	1,039,877	151,221,727	4.73%	8,220
2011 (1)	160,256,317	134,203	160,122,114	5.00%	10,690
2010	161,845,660	16,762,215	145,083,445	4.39%	9,851
2009	167,360,747	16,531,402	150,829,345	4.62%	10,316
2008	172,276,266	15,724,746	156,551,520	4.80%	10,815
2007	176,913,710	14,153,512	162,760,198	5.46%	11,446

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

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 127,375,517	100.00%	\$ 127,375,517
	<u>127,375,517</u>		<u>127,375,517</u>
Overlapping debt:			
Fairfield County	21,855,504	32.80%	7,168,605
Franklin County	221,165,000	0.06%	132,699
City of Canal Winchester	6,979,999	0.06%	4,188
City of Columbus	1,028,143,843	0.95%	9,767,367
City of Pickerington	15,220,000	99.90%	15,204,780
City of Reynoldsburg	7,898,900	3.68%	290,680
Madison Township	-	0.42%	-
Violet Township	7,420,000	95.31%	7,072,002
Eastland-Fairfield Career & Technical JVS District	2,100,000	15.20%	319,200
Solid Waste Authority of Central Ohio	99,695	0.59%	588
	<u>1,310,882,941</u>		<u>39,960,109</u>
Total direct and overlapping debt	<u>\$ 1,438,258,458</u>		<u>\$ 167,335,626</u>

**Source:** Ohio Municipal Advisory Council

**Note:** Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision.



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

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (A)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$ 102,779,032	\$ 108,043,707	\$ 15,115,600	\$ 92,928,107	\$ 9,850,925	90.42%
2015	100,422,908	114,722,013	14,966,650	99,755,363	667,545	99.34%
2014	99,342,470	121,582,555	15,116,501	106,466,054	(7,123,584)	107.17%
2013	101,629,748	127,739,785	15,482,227	112,257,558	(10,627,810)	110.46%
2012	100,194,040	133,357,508	15,883,788	117,473,720	(17,279,680)	117.25%
2011	100,403,646	139,015,433	16,812,713	122,202,720	(21,799,074)	121.71%
2010	104,007,232	144,911,786	16,532,873	128,378,913	(24,371,681)	123.43%
2009	102,653,563	151,585,255	16,163,075	135,422,180	(32,768,617)	131.92%
2008	102,175,834	157,879,129	15,114,548	142,764,581	(40,588,747)	139.72%
2007	92,933,023	162,760,198	14,537,042	148,223,156	(55,290,133)	159.49%

**Source:** Fairfield County Auditor and District financial records

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

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

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Total Personal Income</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
						<u>Fairfield County</u>	<u>Ohio</u>	<u>United States</u>
2016	19,508	\$ 32,280	\$ 629,718,240	32.9	10,106	3.9%	4.9%	4.9%
2015	19,508	31,347	611,517,276	36.5	10,224	3.7%	4.2%	4.8%
2014	18,938	30,927	585,695,526	32.9	10,185	4.0%	5.3%	5.8%
2013	18,632	31,227	581,821,464	32.9	10,209	6.3%	7.2%	7.4%
2012	18,396	29,636	545,183,856	32.9	10,285	5.6%	6.9%	7.9%
2011	14,978	30,612	458,506,536	32.9	10,608	7.5%	9.0%	9.0%
2010	14,728	25,839	380,556,792	32.7	10,552	9.5%	10.4%	9.6%
2009	14,621	25,839	377,792,019	32.7	10,401	9.1%	11.1%	9.5%
2008	14,476	25,839	374,045,364	32.7	10,204	5.0%	6.7%	5.7%
2007	14,220	25,839	367,430,580	32.7	10,016	4.8%	5.5%	4.7%
2006	13,573	25,839	350,712,747	32.7	9,723	5.2%	5.9%	5.1%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

(3) Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students.  
These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.

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

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>Employer</b>	<b>December 31, 2015</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Pickerington Local School District	1,212	1	12.69%
Kroger Company, Inc.	385	2	4.02%
Kohl's Department Stores	379	3	3.97%
Ohio Health Corporation	274	4	2.87%
Roosters	247	5	2.59%
Cracker Barrel	243	6	2.54%
Tamarkin Co. Inc.	221	7	2.31%
Pickerington Nursing and Rehab	216	8	2.26%
McDonalds	173	9	1.81%
Gratzi Pickerington LLC	151	10	1.58%
<b>Total</b>	<b>3,501</b>		<b>36.63%</b>
<b>Total Employment within the City</b>	<b>9,554</b>		

<b>Employer</b>	<b>December 31, 2006</b>		
	<b>Employees</b>	<b>Rank</b>	
Pickerington Local School District	1,084	1	14.85%
State of Ohio	371	2	5.08%
Kroger Company, Inc.	332	3	4.55%
Kohl's Department Stores	329	4	4.51%
Cracker Barrel Restaurant	294	5	4.03%
Kindred Nursing Center	201	6	2.75%
Defense Accounting Office	154	7	2.11%
City of Pickerington	110	8	1.51%
American Motorcycle Association	105	9	1.44%
R.G. Barry Corporation	97	10	1.33%
<b>Total</b>	<b>3,077</b>		<b>42.15%</b>
<b>Total Employment within the City</b>	<b>7,300</b>		

**Source:** City of Pickerington CAFR

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

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

<b>Type</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010 (2)</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007 (1)</b>
Office - administrative	53.50	51.32	49.50	44.00	42.50	43.00	41.60	43.50	41.00	39.50
Professional - educational	634.96	630.50	614.43	598.43	587.89	654.00	680.24	676.29	687.10	640.40
Professional - other	23.00	23.10	20.30	23.70	23.70	30.30	27.78	25.60	24.40	25.40
Technical	17.21	21.25	17.34	15.47	16.00	18.50	16.50	13.50	12.50	12.50
Office - clerical	110.93	107.23	105.05	98.56	109.65	126.30	149.35	141.54	138.50	125.60
Craft & trade	11.00	11.07	8.00	12.00	10.00	13.00	12.00	11.00	9.00	9.00
Service worker/laborer	142.29	141.33	136.07	129.82	138.17	136.70	113.70	106.15	106.25	100.60
<b>Total</b>	<b>992.89</b>	<b>985.80</b>	<b>950.69</b>	<b>921.98</b>	<b>927.91</b>	<b>1,021.80</b>	<b>1,041.17</b>	<b>1,017.58</b>	<b>1,018.75</b>	<b>953.00</b>

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007 (1)</b>
Instruction:										
Regular	446.58	442.65	471.58	438.20	452.85	520.50	526.07	542.12	552.45	523.10
Special	100.50	98.76	93.50	86.53	83.00	97.20	91.60	89.55	85.35	72.50
Vocational	1.00	2.50	4.20	4.20	2.00	11.00	12.00	12.00	11.80	11.50
Support Services:										
Pupil	231.09	235.77	183.22	186.27	182.72	183.20	181.83	174.26	173.40	169.00
Instructional staff	24.00	19.00	20.40	21.00	26.50	26.50	40.37	19.50	20.50	19.30
Administration	50.19	47.19	43.00	46.75	42.71	43.60	47.60	48.00	45.00	33.00
Fiscal	8.00	8.00	8.00	8.00	8.00	8.00	9.00	8.00	9.00	9.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00
Operations and maintenance	83.31	86.52	82.25	86.37	85.38	87.40	87.75	82.00	79.75	74.00
Food service operations	46.22	43.41	42.54	42.66	42.75	42.40	42.95	40.15	40.50	39.60
<b>Total Governmental Activities</b>	<b>992.89</b>	<b>985.80</b>	<b>950.69</b>	<b>921.98</b>	<b>927.91</b>	<b>1,021.80</b>	<b>1,041.17</b>	<b>1,017.58</b>	<b>1,018.75</b>	<b>953.00</b>

**Source:** School District records

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

- (1): These amounts have been changed from what was previously reported to include employees that were not previously included.
- (2): Modifications to the state's EMIS system have resulted in improved employee reporting.

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

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Instruction:										
Regular and Special										
Enrollment (students) *	10,106	10,224	10,185	10,209	10,285	10,608	10,552	10,401	10,204	10,016
Graduates	N/A	N/A	N/A	N/A	847	844	728	722	669	659
Support services:										
Board of education										
Regular meetings per year	23	23	24	22	21	19	22	16	18	18
Special meetings per year	4	5	3	8	11	14	1	6	5	13
Administration										
Nonpayroll checks issued	5,699	5,384	5,261	5,137	5,265	5,690	6,203	6,337	6,222	6,984
Pupil transportation										
Avg. students transported daily	5,665	5,577	5,499	5,739	5,676	5,841	5,783	5,974	6,327	6,538
Food service operations										
Meals served to students	1,267,056	1,217,244	1,193,867	1,085,356	1,091,064	1,157,080	1,214,930	1,089,654	1,032,376	1,013,039

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

N/A: Information is not available.

Source: District records

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

CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>
Land	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480
Land improvements	8,996,384	9,901,311	10,499,004	11,406,066	12,318,155
Buildings and improvements	136,852,772	143,107,191	149,498,761	155,897,125	156,486,259
Furniture and equipment	2,083,002	2,579,716	3,019,734	3,544,974	3,084,058
Vehicles	1,096,287	692,943	574,525	572,976	765,986
Construction in progress	971,689	971,689	-	-	-
Total Governmental Activities Capital Assets, net	<u>\$ 159,185,614</u>	<u>\$ 166,438,330</u>	<u>\$ 172,777,504</u>	<u>\$ 180,606,621</u>	<u>\$ 181,839,938</u>

**Source:** School District financial records.

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

**Note:** Amounts above are presented net of accumulated depreciation.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 9,300,237	\$ 9,300,237	\$ 7,754,673	\$ 7,645,730	\$ 7,645,730
11,612,655	12,468,688	8,137,713	7,921,473	8,498,320
120,185,213	125,387,591	87,381,727	91,302,686	95,223,643
1,695,973	1,928,096	1,289,372	1,469,165	1,585,862
774,935	877,912	574,298	583,289	686,636
19,821,028	2,692,206	50,924,298	17,435,869	1,158,379
<u>\$ 163,390,041</u>	<u>\$ 152,654,730</u>	<u>\$156,062,081</u>	<u>\$126,358,212</u>	<u>\$114,798,570</u>

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

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Heritage Elementary (1907) (1)						
Square feet	92,544	92,544	92,544	92,544	92,544	92,544
Capacity (students)	771	771	771	771	771	771
Enrollment	333	357	416	417	392	423
Fairfield Elementary (1980)						
Square feet	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	387	387	387	387	387	387
Enrollment	460	453	457	439	431	507
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	572	572	572	572	572	572
Enrollment	430	463	544	527	512	551
Tussing Elementary (1996)						
Square feet	75,501	75,501	75,501	75,501	75,501	75,501
Capacity (students)	653	653	653	653	653	653
Enrollment	492	525	555	556	596	634
Violet Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	372	372	372	372	372	372
Enrollment	449	457	346	369	406	368
Diley Middle School (2000)						
Square feet	94,951	94,951	94,951	94,951	94,951	94,951
Capacity (students)	693	693	693	693	693	693
Enrollment	576	618	580	550	542	546
Harmon Middle School (2000)						
Square feet	89,211	89,211	89,211	89,211	89,211	89,211
Capacity (students)	656	656	656	656	656	656
Enrollment	472	535	566	598	615	592
Ridgeview Junior High School (1968)						
Square feet	115,851	115,851	115,851	115,851	115,851	115,851
Capacity (students)	821	821	821	821	821	821
Enrollment	877	866	860	821	841	870
Lakeview Junior High School (2003)						
Square feet	142,082	142,082	142,082	142,082	142,082	142,082
Capacity (students)	1,008	1,008	1,008	1,008	1,008	1,008
Enrollment	847	857	864	836	862	908
Pickerington Central High School (1991)						
Square feet	261,099	261,099	261,099	261,099	261,099	245,652
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,693	1,618	1,630	1,630	1,633	1,647
Pickerington North High School (2003)						
Square feet	323,473	323,473	323,473	323,473	323,473	323,473
Capacity (students)	1,937	1,937	1,937	1,937	1,937	1,937
Enrollment	1,677	1,671	1,686	1,782	1,759	1,838
Sycamore Creek Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	86,695	86,695
Capacity (students)	750	750	750	750	750	750
Enrollment	637	656	689	693	689	704
Toll Gate Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	86,695	86,695
Capacity (students)	774	774	774	774	774	774
Enrollment	603	567	509	508	536	559
Toll Gate Middle School (2009)						
Square feet	101,867	101,867	101,867	101,867	101,867	101,867
Capacity (students)	800	800	800	800	800	800
Enrollment	560	581	483	483	471	461
Total enrollment by year	10,106	10,224	10,185	10,209	10,285	10,608

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

**Notes:** Year of original construction is in parentheses.

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

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

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



2010	2009	2008	2007
92,544	92,544	92,544	92,544
771	771	771	771
420	778	785	736
48,435	48,435	48,435	48,435
387	387	387	787
535	783	769	767
46,516	46,516	46,516	46,516
572	372	372	372
545	745	740	729
75,501	75,501	75,501	75,501
653	653	653	653
670	808	790	811
46,516	46,516	46,516	46,516
372	372	372	372
395	662	675	700
94,951	94,951	94,951	94,951
693	693	693	693
572	837	751	725
89,211	89,211	89,211	89,211
656	656	656	656
604	846	807	850
115,851	115,851	115,851	115,851
821	821	821	821
808	772	819	823
142,082	142,082	142,082	142,082
1,008	1,008	1,008	1,008
841	865	875	860
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
1,619	1,566	1,458	1,349
323,473	323,473	323,473	323,473
1,937	1,937	1,937	1,937
1,830	1,739	1,735	1,666
86,695	N/A	N/A	N/A
750	N/A	N/A	N/A
653	N/A	N/A	N/A
86,695	N/A	N/A	N/A
774	N/A	N/A	N/A
565	N/A	N/A	N/A
101,867	N/A	N/A	N/A
800	N/A	N/A	N/A
495	N/A	N/A	N/A
10,552	10,401	10,204	10,016

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

**EDUCATIONAL INDICATORS  
LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>3rd Grade Achievement</b>										
(Initiated March, 2005)										
Reading	73.5%	90.1%	90.1%	90.3%	88.8%	87.4%	89.1%	89.7%	89.9%	90.6%
Mathematics	85.3%	90.0%	90.0%	88.1%	88.5%	87.6%	80.3%	87.2%	87.8%	87.0%
<b>4th Grade Proficiency/Achievement</b>										
(Initiated March, 1995)										
Reading	73.9%	94.1%	94.1%	95.6%	89.2%	90.7%	90.4%	90.8%	93.2%	89.0%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.6%	93.2%	90.5%
Mathematics	87.6%	85.4%	85.4%	90.9%	87.1%	86.6%	82.2%	85.5%	83.1%	84.7%
<b>5th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	74.0%	82.4%	82.4%	85.8%	89.3%	88.8%	81.7%	83.3%	85.1%	89.5%
Mathematics	83.2%	78.8%	78.8%	82.7%	84.3%	79.1%	81.2%	77.2%	75.1%	71.1%
Science	81.8%	79.8%	79.8%	82.7%	86.7%	84.9%	84.9%	85.9%	82.2%	82.0%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.2%	83.5%	74.8%
<b>6th Grade Proficiency/Achievement</b>										
(Initiated March, 1996)										
Reading	68.3%	93.2%	93.2%	93.0%	96.6%	94.6%	91.9%	91.7%	93.7%	89.4%
Mathematics	73.4%	87.3%	87.3%	88.1%	91.9%	88.7%	85.4%	85.2%	89.4%	82.0%
<b>7th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	61.7%	91.0%	91.0%	91.6%	93.0%	89.2%	90.6%	90.9%	88.8%	89.5%
Mathematics	48.0%	71.7%	71.7%	80.6%	80.4%	79.4%	75.7%	82.8%	76.3%	79.2%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	96.8%	95.2%	93.0%
<b>8th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	58.6%	95.2%	95.2%	93.2%	92.8%	94.3%	90.8%	84.7%	82.8%	92.5%
Mathematics	49.0%	87.0%	87.0%	84.6%	86.6%	83.2%	74.0%	78.6%	80.1%	86.2%
Science	77.2%	77.8%	77.8%	80.6%	82.8%	78.1%	78.2%	77.7%	77.6%	81.7%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.9%	70.4%	70.7%
<b>10th Grade Ohio Graduation Test (OGT):</b>										
(Initiated March, 2005)										
Reading	N/A	95.3%	95.3%	95.2%	94.1%	93.6%	90.3%	92.4%	91.4%	94.1%
Writing	N/A	95.1%	95.1%	91.5%	92.9%	95.2%	91.0%	97.8%	91.5%	94.8%
Mathematics	N/A	89.9%	89.9%	92.6%	90.3%	91.0%	88.9%	91.8%	90.4%	93.0%
Science	N/A	88.1%	88.1%	88.1%	88.1%	85.4%	81.2%	89.2%	84.8%	84.3%
Social Studies	N/A	91.3%	91.3%	91.7%	90.2%	89.7%	88.4%	93.1%	88.1%	87.1%
<b>11th Grade Ohio Graduation Test (OGT):</b>										
Reading	79.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	95.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	93.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	96.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>High School End of Course Exams:</b>										
(Initiated 2015-16)										
<b>Algebra I</b>	57.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Biology</b>	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>English I</b>	61.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>English II</b>	62.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Geometry</b>	47.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Government</b>	46.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>History</b>	83.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Math I</b>	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Physical Science</b>	42.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>ODE Per Pupil Costs</b>										
Pickerington	N/A	\$ 10,974	\$ 10,230	\$ 9,435	\$ 9,520	\$ 9,865	\$ 9,876	\$ 9,623	\$ 9,299	\$ 8,917
State	N/A	\$ 10,985	\$ 10,913	\$ 10,446	\$ 10,597	\$ 10,571	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586
<b>Pupil/Teacher Ratio</b>										
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.10	20.50
<b>Student Attendance Rate</b>										
	95.3%	95.4%	95.4%	>95%	95.8%	95.5%	95.4%	95.5%	95.7%	96.4%
<b>High School Graduation Rate</b>										
	97.7%	95.4%	95.4%	95.0%	91.2%	96.6%	96.6%	95.0%	97.7%	97.9%
<b>Performance Standards</b>										
Pickerington	15	20	20	24	26	26	25	29	29	27
Number of Standards	29	24	24	24	26	26	26	30	30	30
Rating	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent	Excellent with Distinction	Excellent with Distinction	Continuous Improvement
<b>Performance Index Score</b>										
	90.5	102.3	102.3	103.3	103.5	102.8	100.7	101.8	100.9	100.0

Note: Data for items marked "N/A" are either unavailable, not applicable or no longer computed for the respective reporting period.

Sources: School District records and Ohio Department of Education

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

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

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>General Government Expenditures (1)</b>	<b>Governmental Activities Expenses (1)</b>	<b>Enrollment (2)</b>	<b>Percent Change</b>	<b>Teaching Staff</b>
2016	\$ 140,364,702	\$ 119,726,927	10,106	-1.15%	630
2015	118,173,588	120,001,262	10,224	0.38%	630
2014	111,176,999	119,191,744	10,185	-0.24%	630
2013	106,325,880	107,525,936	10,209	-0.74%	618
2012	124,446,976	104,534,767	10,285	-3.04%	613
2011	124,378,812	114,076,500	10,608	0.53%	688
2010	113,012,991	116,640,204	10,552	1.45%	707
2009	134,088,893	104,661,487	10,401	1.93%	710
2008	111,746,467	100,339,040	10,204	1.88%	709
2007	94,554,987	94,489,579	10,016	3.01%	689

**Sources:** District records and the Ohio Department of Education

(1) Debt Service totals have been excluded.

(2) Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students. These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.

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

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

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016**

**RYAN JENKINS, TREASURER**

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

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	2 - 3
Independent Auditor’s Report on Compliance With Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	4 - 5
Schedule of Findings 2 <i>CFR</i> § 200.515 .....	6

**PICKERINGTON LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
<i>Child Nutrition Grant Cluster:</i>			
(D) (E) School Breakfast Program	10.553	2016	\$ 274,053
(C) (D) National School Lunch Program - Food Donation	10.555	2016	389,696
(D) (E) National School Lunch Program	10.555	2016	<u>1,366,030</u>
<b>Total National School Lunch Program</b>			<u>1,755,726</u>
(D) (E) Summer Food Service Program for Children	10.559	2016	<u>11,704</u>
<b>Total Child Nutrition Grant Cluster</b>			<u>2,041,483</u>
(E) Team Nutrition Grant	10.574	2016	<u>3,600</u>
(E) State Administrative Expenses for Child Nutrition	10.560	2016	<u>563</u>
<b>Total U.S. Department of Agriculture</b>			<u>2,045,646</u>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies	84.010	2015	232,723
Title I Grants to Local Educational Agencies	84.010	2016	754,451
<b>Total Title I Grants to Local Educational Agencies</b>			<u>987,174</u>
<i>Special Education Grant Cluster:</i>			
(F) Special Education_Grants to States	84.027	2015	278,786
(F) Special Education_Grants to States	84.027	2016	<u>1,292,513</u>
<b>Total Special Education _Grants to States</b>			<u>1,571,299</u>
(F) Special Education_Preschool Grants	84.173	2016	<u>15,346</u>
<b>Total Special Education Grant Cluster</b>			<u>1,586,645</u>
English Language Acquisition States Grants - Immigrant	84.365	2016	9,944
English Language Acquisition States Grants - LEP	84.365	2016	<u>63,087</u>
<b>Total English Language Acquisition States Grant</b>			<u>73,031</u>
Improving Teacher Quality State Grants	84.367	2015	6,336
Improving Teacher Quality State Grants	84.367	2016	<u>107,314</u>
<b>Total Improving Teacher Quality State Grants</b>			<u>113,650</u>
ARRA - Race to the Top Incentive Grants, Recovery Act	84.395A	2015	<u>29,554</u>
<b>Total U.S. Department of Education</b>			<u>2,790,054</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY PASSED THROUGH THE OHIO EMERGENCY MANAGEMENT AGENCY</b>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4077-OH	<u>881</u>
<b>Total U.S. Department of Homeland Security</b>			<u>881</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 4,836,581</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) OAKS did not assign pass through numbers for fiscal year 2016.
- (B) This schedule includes the federal activity of Pickerington Local School District under programs of the federal government for the fiscal year ended June 30, 2016 and is prepared in accordance with the cash basis of accounting. This information is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulators Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards (Uniform Guidance). Because this schedule presents only a selected portion of the operations of Pickerington Local School District, it is not intended to and does not present financial position, changes in net position, or cash flows of the Pickerington Local School District.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of breakfasts and lunches; assumed expenditures were made on a first-in, first-out basis.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Pickerington Local School District has not elected to use the 10% de minimis indirect cost rate.



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements and have issued our report thereon dated January 6, 2017.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Pickerington Local School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Pickerington Local School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Education  
Pickerington Local School District

***Compliance and Other Matters***

As part of reasonably assuring whether the Pickerington Local School 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Pickerington Local School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Pickerington Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Julian & Grube, Inc.  
January 6, 2017





**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

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

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

To the Board of Education:

***Report on Compliance for the Major Federal Program***

We have audited the Pickerington Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Pickerington Local School District's major federal program for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Pickerington Local School District's major federal program.

***Management's Responsibility***

The Pickerington Local School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to opine on the Pickerington Local School District's compliance for the Pickerington Local School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Pickerington Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Pickerington Local School District's major program. However, our audit does not provide a legal determination of the Pickerington Local School District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Pickerington Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2016.

Board of Education  
Pickerington Local School District

***Report on Internal Control Over Compliance***

The Pickerington Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Pickerington Local School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Pickerington Local School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable 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.

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Pickerington Local School District as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements. We issued our unmodified report thereon dated January 6, 2017. We conducted our audit to opine on the Pickerington Local School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
January 6, 2017

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

**SCHEDULE OF FINDINGS  
UNIFORM GUIDANCE 2 CFR § 200.515  
JUNE 30, 2016**

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

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

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# Dave Yost • Auditor of State

PICKERINGTON LOCAL SCHOOL DISTRICT

FAIRFIELD COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JUNE 6, 2017