

Dave Yost • Auditor of State



PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY

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**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>(A) Pass- Through Entity Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program (D,E)	10.553	N/A	\$ 276,803
National School Lunch Program - Food Donation (C,D)	10.555	N/A	313,316
National School Lunch Program (D,E)	10.555	N/A	1,375,162
<b>Total National School Lunch Program</b>			<u>1,965,281</u>
Summer Food Service Program for Children (D,E)	10.559	N/A	12,104
<b>Total Child Nutrition Cluster</b>			<u>1,977,385</u>
Team Nutrition Grant - Buckeye Healthy School ( E)	10.574	N/A	6,165
Team Nutrition Grant- Breakfast Grant ( E)	10.574	N/A	3,500
<b>Total U.S. Department of Agriculture</b>			<u>1,987,050</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
<b>Title I</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	206,243
Title I Grants to Local Educational Agencies	84.010	N/A	630,995
<b>Total Title I</b>			<u>837,238</u>
<b>Special Education Cluster</b>			
Special Education_Grants to States ( F)	84.027	N/A	193,520
Special Education_Grants to States ( F)	84.027	N/A	1,339,300
<b>Total Special Education_Grants to States</b>			<u>1,532,820</u>
Special Education_Preschool Grants ( F)	84.173	N/A	17,496
<b>Total Special Education Cluster</b>			<u>1,550,316</u>
<b>English Language Acquisition State Grants</b>			
English Language Acquisition - Immigrant	84.365	N/A	4,708
English Language Acquisition - LEP	84.365	N/A	14,416
English Language Acquisition - LEP	84.365	N/A	67,767
<b>Total English Language Acquisition States Grant</b>			<u>86,891</u>
<b>Improving Teacher Quality State Grants</b>			
Improving Teacher Quality State Grants	84.367	N/A	10,248
Improving Teacher Quality State Grants	84.367	N/A	89,877
<b>Total Improving Teacher Quality State Grants</b>			<u>100,125</u>
<b>Total U.S. Department of Education</b>			<u>2,574,570</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,561,620</u>

The accompanying notes are an integral part of this schedule.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017**

A OAKS did not assign pass through numbers for fiscal year 2017.

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, 2017 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 Principles 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. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported in the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

D Included as part of "Child Nutrition Cluster" in determining major programs.

E Comingled with state and local revenue from sales of breakfasts and lunches; assumes it expends federal monies first.

F Included as part of "Special Education Grant Cluster" in determining major programs.



# Dave Yost • Auditor of State

## 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 St  
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, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2017.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 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 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. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 20, 2017





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE 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 each Major Federal Program***

We have audited the Pickerington Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Pickerington Local School District's major federal programs for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The 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 District's compliance for each of the District's major federal programs 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 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 each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on each 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 each of its major federal programs for the year ended June 30, 2017.

***Report on Internal Control Over Compliance***

The 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 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 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 Pickerington Local School District, Fairfield County (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2017. We conducted our audit to opine on the 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.

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**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 20, 2017

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**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2017**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Grant Cluster, CFDA # 84.027 and #84.173  Title I Grants to Local Educational Agencies, CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# Comprehensive Annual Financial Report

Fiscal Year ending June 30, 2017

2017

Pickerington  
SCHOOLS

EDUCATING FOR TOMORROW





COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF THE

PICKERINGTON LOCAL  
SCHOOL DISTRICT  
PICKERINGTON, OHIO

FOR THE

FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

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December 28, 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, 2017 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, 2017, were audited by the State of Ohio Auditors, 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, 2017. The District had approximately 10,233 students enrolled during the 2016-2017 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 Learners ("EL students"), students with disabilities and gifted students; student guidance and health services; as well as extracurricular activities.

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

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

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

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

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

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

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

The District's two high school facilities have supported enhanced computer usage and instruction, a growing broadcast journalism program, a satellite tech prep program through Eastland-Fairfield Career and Technical Schools, 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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DISTRICT GRADE

Coming in  
**2018**



### Achievement

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

Performance Index

78.7%..... **C**

Indicators Met

25.0%..... **F**



### Progress

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

Value-Added

Overall..... **C**

Gifted..... **F**

Students with Disabilities..... **C**

Lowest 20% in Achievement..... **A**



### 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

81.6%..... **B**



### 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

98.0% of students graduated in 4 years..... **A**

97.1% of students graduated in 5 years..... **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

36.7%..... **C**



### 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.



## MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

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

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

Professional Development: Job-embedded professional learning opportunities are provided to all teaching staff during weekly grade level/content team meetings and district two-hour delays and full day district professional development opportunities. Professional development revolves around implementation of the Ohio's Learning Standards, using evidence-based instructional strategies and incorporating 21<sup>st</sup> Century skills into daily practice. Building Leadership Teams analyze data to craft Continuous Improvement Plans (CIP). Professional development is provided to teams of teachers based on the instructional needs at the building, grade, or subject level. Instructional coaches at grades K-12 assist teachers as they meet the needs of all students and implement differentiated instructional practices.

Gifted & Talented Programs: The District has programming for gifted at each elementary and middle school through a compacted mathematics curriculum. There is also the Gateway Program which provides services across the board to highly gifted children grades 4-6. This continuum of services leads into the junior high where there are advanced math and ELA classes designed for gifted students and through to the secondary level where acceleration/enrichment opportunities are supplied by a robust AP and CCP curriculum as well as the Mosaic Program.

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

Foreign Languages: Seventh grade students may enroll in Spanish 1 for high school credit. Eighth grade students are able to enroll in Spanish, German and French. American Sign Language is also offered at the high school. These additions have provided District students an opportunity to enroll in Advanced Placement foreign language as seniors if they begin their foreign language studies at the junior high level.

High School Credit as an Option for Junior High Students: Formally accelerated junior high students have the option of earning high school credits for English 9, algebra 1, honors geometry, and integrated science courses. All junior high students may earn high school elective credits in foreign language, art, physical education, and acting and theatre history.

Arts Instruction: The District believes in the importance of providing opportunities for all its students to experience and excel in arts education. Music and visual arts, and performing arts teachers provide instruction to students K-12. Beginning in the sixth grade in middle school, students have the opportunity to enroll in instrumental music (including a strings program). At the junior high this is expanded to include both vocal and instrumental music. Students enroll in visual, vocal and instrumental music and performing arts programs at the high school level.

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

Technology has continued to advance, and the District has made great strides in terms of enhancing instruction by updating existing technological equipment and infrastructure. The District has made a substantial financial commitment to improving the ability all students to go One-to-One with devices and access to a robust network infrastructure inside and outside of school to enhance the instructional process.

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

The District supports teachers' use of technology by a team of individuals on both the instructional and the infrastructure side of technology. The District created a Technology Help Desk that makes technical services for teachers more efficient.

Summer School Opportunities: The District offers a summer intervention program for students who are a part of the K-6 Response to Intervention (RTI) program and have not met the State's proficient level on the Grade 3 Reading Achievement Assessment. Summer intervention is available for high school students in all content areas in preparation for re-taking Ohio's State Tests. High School students have the opportunity to earn Physical Education credit during summer months. The District also offers credit recovery during the summer.

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

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

PAS is designed to help address the needs of students who are credit deficient, and therefore not on target to graduate with their respective class. The focus is on helping those students attain the necessary graduation requirements and provide involvement in career and community workforce.

Comprehensive Continuous Improvement Plan: The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District: improving student achievement in reading and mathematics, specifically with regards to narrowing the gaps for the following subgroups: students with disabilities; socio-economic status; and racial or ethnic status; and, hiring of teachers who are highly qualified. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), Title III (Immigrant), Title IV (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 2017.

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 intellectual disabilities. The District supports these classrooms through smaller class sizes, intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 30 low incidence classrooms that either service the buildings in which they are located or are shared across the District. Each building has at least one special education cross-categorical teacher that serves identified students in the building. Students in special education resource rooms receive a range of services from instruction in a content area to specific intervention to support specific skill deficits a student may have. The District also offers inclusion support in all their buildings with its intervention specialists. These teachers co-teach with general education teachers in the general education setting so that students with disabilities can be educated in their least restrictive environment. Pickerington has 102 teachers that provide cross-categorical resource room services, inclusion support in the general classroom, or a combination of both.

These classrooms are supported by a well-experienced related services and support staff consisting of 6 school psychologists, nearly 11 speech therapists, 2 occupational therapists, one adaptive physical education teacher, one physical therapist, one academic/behavior coach, a work-study coordinator, and 56 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 5 special education administrators. A special education director oversees all the programs at the district level. Three special education secretaries maintain the special education records and enter critical information into the Education Management Information System (EMIS).

The District contracts with the Fairfield County Educational Service Center to provide special education services to about 120 preschoolers with disabilities. The preschool classrooms have two models which serve up to eight special needs and four typical students or eight special needs and eight typicals in each classroom. The services for preschoolers are typically center-based or itinerant-based on the needs of the 3-5 year-old students. The center-based program can support the students with a variety of related services.

### ECONOMIC CONDITION AND OUTLOOK

**Historical and Demographical Background:** The District is located primarily in Fairfield County, with a small portion extending into Franklin County. The District covers approximately 37 square miles in and around the City of Pickerington. 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.

**State Aid:** Representing 46.9% of general fund revenue, Unrestricted Grants in Aid (a.k.a. State Foundation) is the most critical piece of funding for the District. This is also the piece of the funding that is directly tied to the biennial budget. HB 49, the 2018-2019 biennium budget bill, was passed into law on July 1, 2017---and it took effect September 29, 2017 (90 days after Governor Kasich signed the budget bill). Some major pieces of the bill include:

The current formula still 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 fiscal year 2018, PLSD's Valuation Index is .7670, meaning that local valuation per pupil is only about 76.70% of the state average valuation per pupil. Additionally, PLSD's Income Index is 1.13, which means that District Median Incomes are about 13% 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 index ("SSI") is calculated to be about 59% in fiscal year 2018 and fiscal year 2019 (per HB49, the SSI is 'frozen' for the entire FY18-FY19 biennium). Moreover, it is appropriate to note that the SSI is forecasted to increase to about 60.5% by fiscal year 2022 (given the same funding formula parameters noted above, which are subject to change with each 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 will add nearly \$6.0MM in funding to the formula for PLSD for both fiscal years 2018 and 2019. By fiscal year 2022, this funding is anticipated to increase to about \$7.0MM.

Annual enrollment also continues to be critical to forecasted state funding. Based on the District's student population growth in fiscal year 2018, it is important to note that state funding is currently capped for the 17-18 school year (capped at generally a 3% overall increase from last year's funding levels). Yet it is also worth noting that moving into fiscal year 2019, the District will again be 'on the formula,' where each additional student drives additional state dollars. Given that the State Share Index is about 60%, and the per pupil funding amounts for fiscal year 2019 are \$6,020 by law, this means each new student generates about \$3,600 additional state dollars in fiscal year 2019. It is also worth noting that the District has begun to revise enrollment estimates, and anticipates modest student population growth over the five-year cycle. Moreover, given the schedule for the build out of new subdivisions in the District, it could be possible that over the long run (e.g., an 8-10 year horizon), the District could grow by up to 1,000 students. This is critical data that District management must closely monitor—data which affects all areas of operations (e.g., finances, capital planning, staffing, etc.).

**Income Tax:** Fiscal year 2017 saw income tax growth cool off to 2.58%, mainly due to a drastic increase in refunds paid with returns during April of 2017-- just as Budget Director Tim Keen notes in his April 2017 OBM report for the state overall [see page 9 at [http://www.obm.ohio.gov/budget/monthlyfinancial/doc/2017-05\\_mfr.pdf](http://www.obm.ohio.gov/budget/monthlyfinancial/doc/2017-05_mfr.pdf).] [Note that refund fluctuations are quite challenging to forecast---since fiscal year 2011, year over year refunds have increased by about 3.3%--but during that time, they have dropped by as much as 15.60% from one fiscal year to the next, and have increased as much as 18.50% from one fiscal year to the next. The District is taking a conservative approach moving forward by forecasting refund growth to increase by about 5% per year.]

Yet through the first quarter of fiscal year 2018, income tax collections have heated back up—in fact, 1<sup>st</sup> quarter collections for fiscal year 2018 are 4.12% higher than fiscal year 2017. Based on this robust increase, fiscal year 2018 estimates are 4.10% higher than fiscal year 2017. But moving forward, this trend is calculated to cool off a bit to about 3.60% per year for fiscal years 2019-2022. As a note, this revenue stream is roughly equivalent to 14.30 effective mills of property tax for Pickerington Schools. This revenue source has become one of the fastest growing and most significant sources of revenue for the District, and it continues to increase in its share of total general fund revenue (currently 14.77%).

**Property Taxes:** Property taxes currently comprise 30.5% of total general fund revenue—a significant source of revenue for the District.

One of the most significant factors is total property valuation, and the anticipated changes in property valuation. For PLSD, 2016 was a year in which the Fairfield County Auditor conducted a triennial update. Consequently, property valuations district-wide changed as a result of this periodic review by the County Auditor. Indeed, prior to considering the impact of new construction in the District, overall property valuation for Class I property (Residential/Agricultural) increased by 7.76% based on the Auditor's review. (Note: While this increase in property valuation due to reappraisal/inflation was healthy, recall that HB 920 factors will subsequently decrease millage rates on existing voted levies so that overall tax revenue is constant.) While Class I values increased in a rather healthy manner, Class II values (i.e. Commercial and Industrial values) experienced no appreciable increase at all due to inflation/reappraisal.

The other factor that affects property values is the increase due to new construction or growth. Moreover, increases due to new construction/growth increase real estate income for the District. For the 2016 (payable in 2017) tax year, the effect of new construction again showed moderate gains from 2015 for Class I values—about 1.4%. The increase in Class I values due to new construction ties directly to additional property tax revenue. While new construction only contributed to a .2648% increase in 2013, new construction accounted for a 1.3% increase in valuation in 2014; a 1.5% increase in valuation in 2015; and a 1.4% increase in valuation in 2016.

On the Class II side (i.e. Commercial/Industrial property values), 2016 taxable values decreased by 6.30% due to 'new construction' based almost exclusively on the exemption of property belonging to OhioHealth. This relatively substantial property valuation is part of the new Emergency Room/Medical Center located on Refugee Rd.



New construction/growth in Class I property values has historically been vibrant in the PLSD community, although the Great Recession of 2008 negatively impacted this growth from 2009 to about 2013. The growth shown in 2014, 2015 and now 2016 for residential properties is a very positive sign. Moreover, there are currently 4-5 subdivisions in various stages of planning and development around the District (Heron Crossing; Wellington Park; Meadows at Spring Creek; Lake Forest; Reserves at Meadowmoore; The Enclave at Meadowmoore) which could bring as many as 1,500 new homes within the next 7-10 years—developments that will need to be carefully followed by District management

**Debt Rating:** 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**

- » *Material tax base growth and/or strengthening of wealth indices*
- » *Sustained trend of positive operations leading to increases in cash reserves that are maintained*

**Cash Balance Policy:** 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, 2016. 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, 2017 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,

A handwritten signature in black ink that reads "Timothy R. Jenkins". The signature is written in a cursive style with a large initial 'T' and 'J'.

Timothy "Ryan" Jenkins

Treasurer

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

**ELECTED OFFICIALS AND ADMINISTRATIVE STAFF**

JUNE 30, 2017

Board of Education Members

President  
Vice President  
Member  
Member  
Member

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

Appointed Officials

Superintendent  
Treasurer

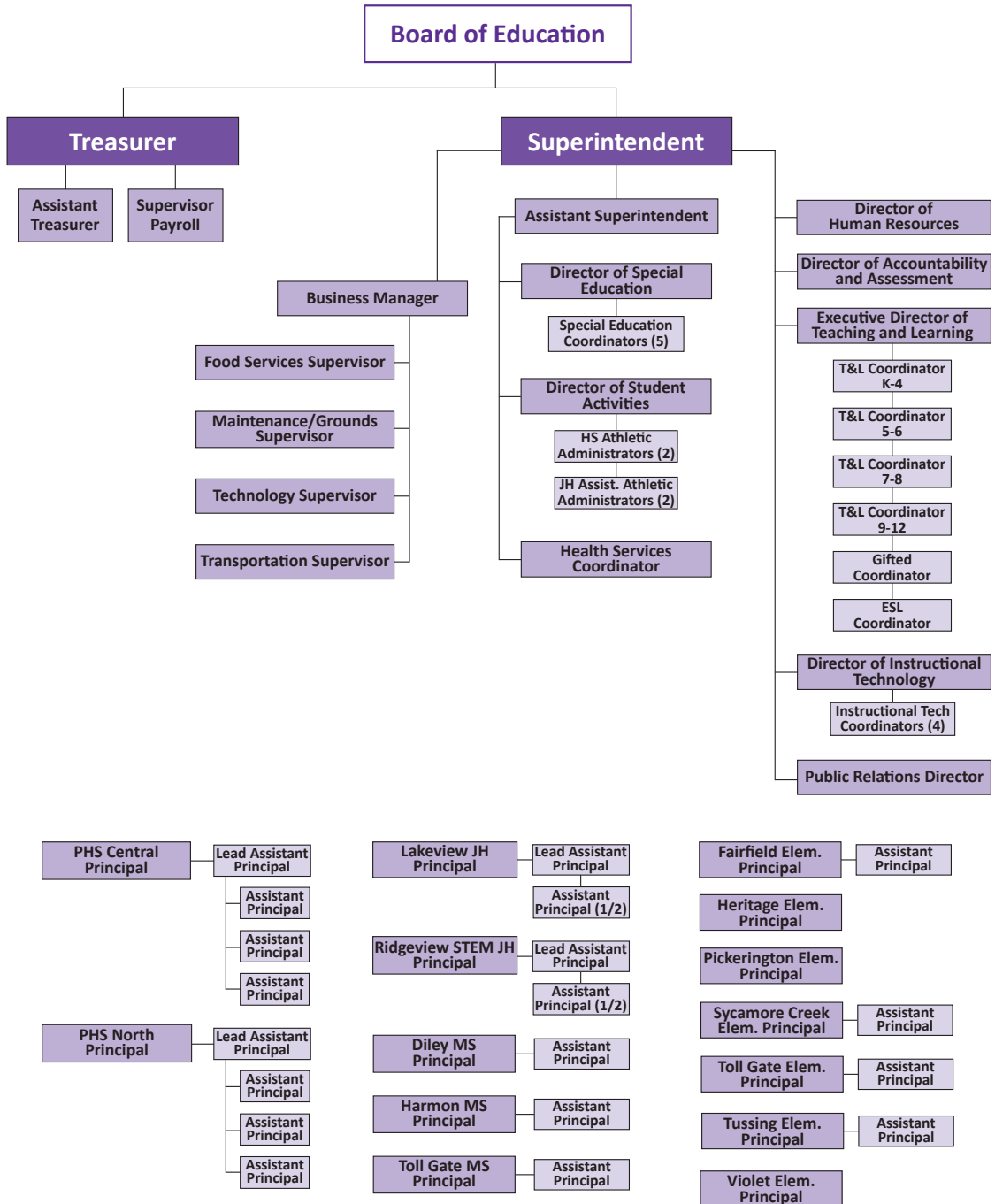
Dr. Valerie Browning-Thompson  
Ryan Jenkins

Administrative Staff

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

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

# Organizational Chart



Revised: 2/8/16, 1/24/17, 3/15/17, 8/14/17



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, 2016**

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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 Districts 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 District's internal control. Accordingly, we express no such 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 the Pickerington Local School District, Fairfield County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the 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 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 this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section 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 December 20, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 20, 2017

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(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, 2017. 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 2017 are as follows:

- Net position of governmental activities decreased \$7,855,753 which represents a 14.81% decrease from 2016.
- General revenues accounted for \$120,201,457 in revenue or 86.98% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$17,994,621 or 13.02% for total revenues of \$138,196,078.
- The District had \$146,051,831 in expenses related to governmental activities; only \$17,994,621 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 \$120,201,457 were not adequate to provide for these programs.
- The District's major governmental funds include the general fund and district debt service fund. The general fund had \$118,137,143 in revenues and other financing sources and \$115,235,112 in expenditures and other financing uses. During fiscal year 2017, the general fund's balance increased \$2,902,031 from a balance of \$30,616,039 to a balance of \$33,518,070.
- The district debt service fund had \$71,577,657 in revenues and other financing sources and \$74,456,854 in expenditures and other financing uses. The district debt service fund's balance decreased \$2,879,197 from \$14,959,210 to \$12,080,013.

**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, 2017  
(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 2017?" 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 18 – F 19 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 12. 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 20 – F 25 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
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***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance. The basic proprietary fund financial statements can be found on pages F 26 – F 28 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 F 29 and F 30. 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 31 – F 77 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 78 – F 84 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**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, 2017 and June 30, 2016.

	<b>Net Position</b>	
	Governmental Activities 2017	Governmental Activities 2016
<b><u>Assets</u></b>		
Current and other assets	\$ 117,629,635	\$ 119,075,480
Capital assets, net	<u>151,951,404</u>	<u>159,185,614</u>
Total assets	<u>269,581,039</u>	<u>278,261,094</u>
<b><u>Deferred outflows of resources</u></b>		
Unamortized deferred charges on debt refunding	4,617,583	5,255,674
Pension	<u>40,045,221</u>	<u>20,021,190</u>
Total deferred outflows of resources	<u>44,662,804</u>	<u>25,276,864</u>
<b><u>Liabilities</u></b>		
Current liabilities	15,009,749	14,447,761
Long-term liabilities:		
Due within one year	10,414,686	9,792,715
Due in more than one year:		
Net pension liability	195,243,329	157,731,775
Other amounts	<u>112,412,825</u>	<u>123,165,132</u>
Total liabilities	<u>333,080,589</u>	<u>305,137,383</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	41,239,810	41,552,384
Payments in lieu of taxes for the next fiscal year	156,682	125,136
Unamortized deferred gain on debt refunding	663,441	-
Pension	<u>-</u>	<u>9,763,981</u>
Total deferred inflows of resources	<u>42,059,933</u>	<u>51,441,501</u>
<b><u>Net Position</u></b>		
Net Investment in capital assets	49,887,240	48,368,374
Restricted	9,768,036	12,874,772
Unrestricted (deficit)	<u>(120,551,955)</u>	<u>(114,284,072)</u>
Total net position (deficit)	<u>\$ (60,896,679)</u>	<u>\$ (53,040,926)</u>

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

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The District has 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 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  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$60,896,679. At fiscal year-end, restricted net position was \$9,768,036.

At fiscal year-end, capital assets represented 56.37% of total assets. Capital assets include land, land and improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2017 was \$49,887,240. 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, \$9,768,036, represents resources that are subject to external restriction on how they may be used. Of this amount, \$2,767,438 is restricted for capital projects, \$2,260,407 is restricted for classroom facilities maintenance and \$(120,551,955) is unrestricted 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 2017 and 2016.

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2017</u>	<u>2016</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 6,321,448	\$ 5,929,785
Operating grants and contributions	11,673,173	11,228,185
General revenues:		
Property taxes	48,198,864	48,033,598
School district income taxes	16,996,461	16,422,435
Grants and entitlements not restricted	54,303,696	53,389,530
Payment in lieu of taxes	156,682	125,137
Investment earnings	438,626	400,335
Other	<u>107,128</u>	<u>222,365</u>
Total revenues	<u>138,196,078</u>	<u>135,751,370</u>
		- Continued

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

<u>Expenses</u>	<b>Change in Net Position</b>	
	Governmental	Governmental
	Activities	Activities
	<u>2017</u>	<u>2016</u>
Program expenses:		
Instruction:		
Regular	\$ 60,903,934	\$ 50,113,119
Special	18,673,608	15,406,568
Vocational	601,392	575,131
Other	4,417,552	3,505,283
Support services:		
Pupil	7,871,413	6,493,988
Instructional staff	5,857,404	5,831,566
Board of education	702,080	679,391
Administration	9,126,746	8,105,447
Fiscal	2,241,987	2,079,635
Business	440,428	546,554
Operations and maintenance	12,430,706	11,285,198
Pupil transportation	6,881,121	6,046,787
Central	1,180,050	664,189
Operation of non-instructional services:		
Other non-instructional services	856,439	573,252
Food service operations	5,996,942	5,258,365
Extracurricular activities	3,108,863	2,562,454
Interest and fiscal charges	<u>4,761,166</u>	<u>5,973,498</u>
Total expenses	<u>146,051,831</u>	<u>125,700,425</u>
Change in net position	(7,855,753)	10,050,945
Net position (deficit) at beginning of year	<u>(53,040,926)</u>	<u>(63,091,871)</u>
Net position (deficit) at end of year	<u>\$ (60,896,679)</u>	<u>\$ (53,040,926)</u>

**Governmental Activities**

Net position of the District's governmental activities decreased \$7,855,753. Total governmental expenses of \$146,051,831 were offset by program revenues of \$17,994,621 and general revenues of \$120,201,457. Program revenues supported 12.32% of the total governmental expenses.

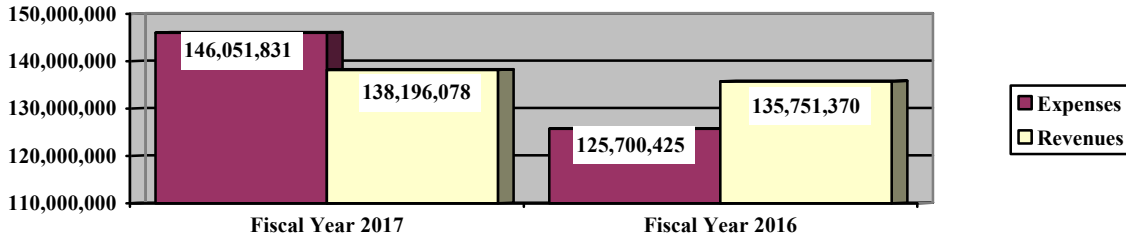
The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted and restricted grants and entitlements from the State of Ohio. These revenue sources represent 86.47% of total governmental revenue.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
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The graph below presents the District's governmental activities revenues and expenses for fiscal year 2017 and 2016.

**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>2017</u>	Net Cost of Services <u>2017</u>	Total Cost of Services <u>2016</u>	Net Cost of Services <u>2016</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 60,903,934	\$ 60,002,604	\$ 50,113,119	\$ 48,810,912
Special	18,673,608	11,368,348	15,406,568	8,232,036
Vocational	601,392	41,469	575,131	531,426
Other	4,417,552	3,615,015	3,505,283	3,302,618
Support services:				
Pupil	7,871,413	7,789,432	6,493,988	6,367,068
Instructional staff	5,857,404	5,624,638	5,831,566	5,495,400
Board of education	702,080	702,080	679,391	679,391
Administration	9,126,746	9,037,019	8,105,447	8,026,787
Fiscal	2,241,987	2,241,987	2,079,635	2,079,635
Business	440,428	440,428	546,554	546,554
Operations and maintenance	12,430,706	12,116,313	11,285,198	10,973,577
Pupil transportation	6,881,121	6,496,703	6,046,787	5,662,611
Central	1,180,050	1,180,050	664,189	664,189
Operations of non-instructional services:				
Other non-instructional services	856,439	107,316	573,252	(16,805)
Food service operations	5,996,942	983,188	5,258,365	425,824
Extracurricular activities	3,108,863	1,549,454	2,562,454	787,734
Interest and fiscal charges	4,761,166	4,761,166	5,973,498	5,973,498
<b>Total expenses</b>	<b>\$ 146,051,831</b>	<b>\$ 128,057,210</b>	<b>\$ 125,700,425</b>	<b>\$ 108,542,455</b>

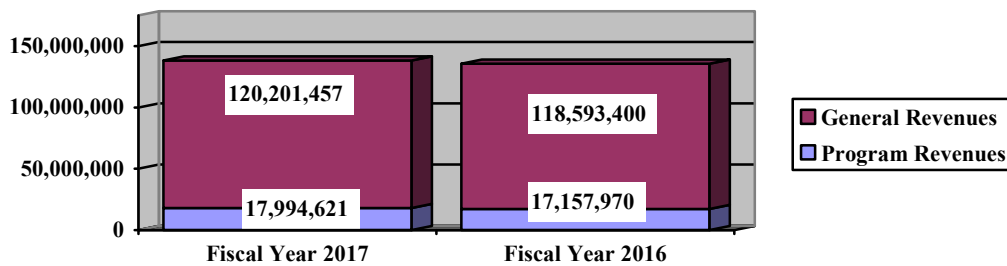
**PICKERINGTON LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The dependence upon tax and other general revenues for governmental activities is apparent, as 88.69% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 87.68%. 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 2017 and 2016.

**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 \$52,421,277, which is less than last year's total of \$54,167,112. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2017 and June 30, 2016.

	Fund Balance <u>June 30, 2017</u>	Fund Balance <u>June 30, 2016</u>	Increase/ (Decrease)
General	\$ 33,518,070	\$ 30,616,039	\$ 2,902,031
Bond retirement	12,080,013	14,959,210	(2,879,197)
Other governmental	6,823,194	8,591,863	(1,768,669)
<b>Total</b>	<b>\$ 52,421,277</b>	<b>\$ 54,167,112</b>	<b>\$ (1,745,835)</b>

**General Fund**

The following tables show the changes in revenues and expenditures in the general fund from 2017 and 2016.

	2017 <u>Amount</u>	2016 <u>Amount</u>	Increase/ (Decrease)	Percentage <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 53,680,617	\$ 52,765,061	\$ 915,556	1.74 %
Tuition	438,038	521,867	(83,829)	(16.06) %
Earnings on investments	406,945	365,376	41,569	11.38 %
Intergovernmental	59,124,856	57,153,561	1,971,295	3.45 %
Other revenues	1,715,317	1,692,076	23,241	1.37 %
<b>Total</b>	<b>\$ 115,365,773</b>	<b>\$ 112,497,941</b>	<b>\$ 2,867,832</b>	<b>2.55 %</b>

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

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	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 67,965,366	\$ 62,817,847	\$ 5,147,519	8.19 %
Support services	40,379,460	38,557,911	1,821,549	4.72 %
Operation of non-instructional services	112,119	80,707	31,412	38.92 %
Extracurricular activities	1,951,005	1,835,464	115,541	6.29 %
Facilities acquisition and construction	78,188	17,722	60,466	341.19 %
Capital outlay	2,771,341	174,356	2,596,985	1,489.47 %
Debt service	<u>1,227,633</u>	<u>1,490,079</u>	<u>(262,446)</u>	(17.61) %
Total	<u>\$ 114,485,112</u>	<u>\$ 104,974,086</u>	<u>\$ 9,511,026</u>	9.06 %

Overall revenues of the general fund increased \$2,867,832 or 2.55%. Expenditures of the general fund increased \$9,511,026 or 9.06%. This increase in expenditures is primarily due an increase in capital outlay, instruction and support services expenditures. Instruction expenditures increased \$5,147,519 or 8.19% primarily due to an increase in salaries and benefits in regular expenditures in the current fiscal year. Support services increased \$1,821,549 or 4.72% due in an increase in operations and maintenance and pupil transportation expenditures in the current fiscal year. Capital outlay increased \$2,596,985 or 1,489.47% due to more capital leases being acquired by the district in fiscal year 2017 than in prior fiscal year. All other revenues and expenditures remained comparable to the prior fiscal year.

***District Debt Service Fund***

The District's district debt service fund balance decreased \$2,879,197. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2017</u> <u>Amount</u>	<u>2016</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 11,396,064	\$ 11,572,572	\$ (176,508)	(1.53) %
Intergovernmental	<u>1,424,286</u>	<u>1,448,617</u>	<u>(24,331)</u>	(1.68) %
Total	<u>\$ 12,820,350</u>	<u>\$ 13,021,189</u>	<u>\$ (200,839)</u>	(1.54) %
<b><u>Expenditures</u></b>				
Support services	\$ 196,793	\$ 208,909	\$ (12,116)	(5.80) %
Debt service	<u>12,339,101</u>	<u>12,779,031</u>	<u>(439,930)</u>	(3.44) %
Total	<u>\$ 12,535,894</u>	<u>\$ 12,987,940</u>	<u>\$ (452,046)</u>	(3.48) %

***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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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For the general fund, original revenues and other financing sources of \$110,108,497 remained the same for the final budgeted revenues and other financing sources. Actual revenues and other financing sources for fiscal year 2017 were \$112,804,438. This represents a \$2,695,941 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) totaling \$115,145,464 remained the same in the final appropriations and other financing uses. The actual budget basis expenditures for fiscal year 2017 totaled \$113,100,529, which was \$2,044,935 less than the final budget appropriations.

**Capital Assets and Debt Administration**

*Capital Assets*

At June 30, 2017, the District had \$151,951,404 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2017 balances compared to June 30, 2016.

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

	Governmental Activities	
	2017	2016
Land	\$ 9,185,480	\$ 9,185,480
Construction-in-progress	-	971,689
Land improvements	8,403,036	8,996,384
Building and improvements	131,201,596	136,852,772
Furniture and equipment	2,350,441	2,083,002
Vehicles	810,851	1,096,287
Total	<u>\$ 151,951,404</u>	<u>\$ 159,185,614</u>

The overall decrease in capital assets, net of depreciation, of \$7,234,210 is due to depreciation expense of \$7,545,285 plus disposals (net of depreciation) of \$294,478 exceeding capital additions of \$605,553 for fiscal year 2017.

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

*Debt Administration*

At June 30, 2017, the District had \$108,715,476 in general obligation bonds. Of this total, \$8,724,853 is due within one year and \$99,990,623 is due in greater than one year. The District also had \$2,961,501 outstanding for a lease purchase agreements. Of this amount, \$788,542 is due within one year and \$2,172,959 is due in greater than one year.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Outstanding Debt, at Year End**

	Governmental Activities <u>2017</u>	Governmental Activities <u>2016</u>
General obligation bonds	\$ 108,715,476	\$ 118,937,071
Lease purchase agreement	<u>2,961,501</u>	<u>1,632,278</u>
<b>Total</b>	<b><u>\$ 111,676,977</u></b>	<b><u>\$ 120,569,349</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 47.9% (for the 2016-2017 school year) of total District general fund revenue. In the spring of 2017, the 132<sup>nd</sup> Ohio General Assembly passed HB49, the new biennial budget for fiscal years 2018 and 2019. The District is forecasting a total increase of \$2.51 million in total state formula funding over the 2016-2017 biennium. As in past school funding formulas, the new funding formula enacted by HB49 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 \$1.885 million in the first year of the biennial budget (2017-2018 school year over the 2016-2017 school year), and \$625,518 in the second year of the biennial budget (2018-2019 school year over the 2017-2018 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, 2017  
(UNAUDITED)

The District also completed negotiations with Pickerington Education Association in the Summer of 2015. The District's Classified union, the Pickerington Support Staff Association, also successfully completed negotiations with District Management in the Spring of 2017. 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, three (3) year contract—2017-2018, 2.25% base increase; 2018-2019, 2.25% base increase; 2019-2020, 1.50% 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, 2017  
(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 2017 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).

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

STATEMENT OF NET POSITION  
JUNE 30, 2017

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 60,594,850
Cash with fiscal agent . . . . .	21,881
Cash in segregated accounts . . . . .	115,360
Receivables:	
Property taxes . . . . .	47,916,522
Income taxes . . . . .	7,229,430
Payment in lieu of taxes . . . . .	156,682
Accounts . . . . .	5,501
Accrued interest . . . . .	97,171
Intergovernmental . . . . .	1,334,838
Prepayments . . . . .	91,995
Materials and supplies inventory . . . . .	17,289
Inventory held for resale . . . . .	48,116
Capital assets:	
Nondepreciable capital assets . . . . .	9,185,480
Depreciable capital assets, net . . . . .	142,765,924
Capital assets, net . . . . .	151,951,404
Total assets . . . . .	269,581,039
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	4,617,583
Pension - STRS . . . . .	31,873,059
Pension - SERS . . . . .	8,172,162
Total deferred outflows of resources . . . . .	44,662,804
<b>Liabilities:</b>	
Accounts payable . . . . .	1,191,357
Contracts payable . . . . .	302,060
Retainage payable . . . . .	114,669
Accrued wages and benefits payable . . . . .	9,608,623
Pension and postemployment obligation . . . . .	1,633,865
Intergovernmental payable . . . . .	576,870
Accrued interest payable . . . . .	250,324
Claims payable . . . . .	1,310,100
Matured bonds payable . . . . .	20,000
Matured interest payable . . . . .	1,881
Long-term liabilities:	
Due within one year . . . . .	10,414,686
Due in more than one year:	
Net pension liability . . . . .	195,243,329
Other amounts due in more than one year . . . . .	112,412,825
Total liabilities . . . . .	333,080,589
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	41,239,810
Payment in lieu of taxes levied for the next fiscal year . . . . .	156,682
Unamortized deferred gain on debt refunding . . . . .	663,441
Total deferred inflows of resources . . . . .	42,059,933
<b>Net position:</b>	
Net investment in capital assets . . . . .	49,887,240
Restricted for:	
Capital projects . . . . .	2,767,438
Classroom facilities maintenance . . . . .	2,260,407
Debt service . . . . .	2,647,559
State funded programs . . . . .	226,905
Federally funded programs . . . . .	41,120
Student activities . . . . .	406,163
Food service operations . . . . .	1,400,077
Other purposes . . . . .	18,367
Unrestricted (deficit) . . . . .	(120,551,955)
Total net position (deficit) . . . . .	\$ (60,896,679)

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, 2017

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Expenses		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 60,903,934	\$ 676,650	\$ 224,680	\$ (60,002,604)
Special . . . . .	18,673,608	200,192	7,105,068	(11,368,348)
Vocational . . . . .	601,392	-	559,923	(41,469)
Other . . . . .	4,417,552	-	802,537	(3,615,015)
Support services:				
Pupil. . . . .	7,871,413	-	81,981	(7,789,432)
Instructional staff . . . . .	5,857,404	-	232,766	(5,624,638)
Board of education . . . . .	702,080	-	-	(702,080)
Administration. . . . .	9,126,746	742	88,985	(9,037,019)
Fiscal. . . . .	2,241,987	-	-	(2,241,987)
Business. . . . .	440,428	-	-	(440,428)
Operations and maintenance . . . . .	12,430,706	310,081	4,312	(12,116,313)
Pupil transportation. . . . .	6,881,121	-	384,418	(6,496,703)
Central . . . . .	1,180,050	-	-	(1,180,050)
Operation of non-instructional services:				
Other non-instructional services . . . . .	856,439	713,773	35,350	(107,316)
Food service operations . . . . .	5,996,942	2,985,243	2,028,511	(983,188)
Extracurricular activities. . . . .	3,108,863	1,434,767	124,642	(1,549,454)
Interest and fiscal charges . . . . .	4,761,166	-	-	(4,761,166)
Total governmental activities . . . . .	\$ 146,051,831	\$ 6,321,448	\$ 11,673,173	(128,057,210)
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				36,471,808
Debt service. . . . .				11,319,892
Facility maintenance. . . . .				407,164
Payments in lieu of taxes. . . . .				156,682
Income taxes levied for:				
General purposes . . . . .				16,996,461
Grants and entitlements not restricted				
to specific programs . . . . .				54,303,696
Investment earnings . . . . .				438,626
Miscellaneous . . . . .				107,128
Total general revenues . . . . .				120,201,457
Change in net position . . . . .				(7,855,753)
<b>Net position (deficit) at beginning of year . . . . .</b>				
				<b>(53,040,926)</b>
<b>Net position (deficit) at end of year . . . . .</b>				
				<b>\$ (60,896,679)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 35,202,117	\$ 10,844,572	\$ 7,702,962	\$ 53,749,651
Cash with fiscal agent . . . . .	-	21,881	-	21,881
Cash in segregated accounts . . . . .	-	-	115,360	115,360
Receivables:				
Property taxes . . . . .	36,197,512	11,315,439	403,571	47,916,522
Income taxes . . . . .	7,229,430	-	-	7,229,430
Payment in lieu of taxes . . . . .	118,311	37,055	1,316	156,682
Accounts . . . . .	4,001	-	1,500	5,501
Accrued interest . . . . .	97,171	-	-	97,171
Intergovernmental . . . . .	283,734	-	824,992	1,108,726
Prepayments . . . . .	91,995	-	-	91,995
Materials and supplies inventory . . . . .	-	-	17,289	17,289
Inventory held for resale . . . . .	-	-	48,116	48,116
Due from other funds . . . . .	255,017	-	-	255,017
Total assets . . . . .	<u>\$ 79,479,288</u>	<u>\$ 22,218,947</u>	<u>\$ 9,115,106</u>	<u>\$ 110,813,341</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 986,662	\$ -	\$ 204,695	\$ 1,191,357
Contracts payable . . . . .	-	-	302,060	302,060
Retainage payable . . . . .	-	-	114,669	114,669
Accrued wages and benefits payable . . . . .	9,066,420	-	542,203	9,608,623
Compensated absences payable . . . . .	143,492	-	-	143,492
Intergovernmental payable . . . . .	561,546	-	15,324	576,870
Pension and postemployment obligation . . . . .	1,543,009	-	90,856	1,633,865
Due to other funds . . . . .	-	-	255,017	255,017
Matured bonds payable . . . . .	-	20,000	-	20,000
Matured interest payable . . . . .	-	1,881	-	1,881
Total liabilities . . . . .	<u>12,301,129</u>	<u>21,881</u>	<u>1,524,824</u>	<u>13,847,834</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	31,150,879	9,741,559	347,372	41,239,810
Payment in lieu of taxes levied for the next fiscal year . . . . .	118,311	37,055	1,316	156,682
Delinquent property tax revenue not available . . . . .	1,082,512	338,439	12,071	1,433,022
Income tax revenue not available . . . . .	1,144,979	-	-	1,144,979
Intergovernmental revenue not available . . . . .	84,080	-	406,329	490,409
Accrued interest not available . . . . .	79,328	-	-	79,328
Total deferred inflows of resources . . . . .	<u>33,660,089</u>	<u>10,117,053</u>	<u>767,088</u>	<u>44,544,230</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	17,289	17,289
Prepays . . . . .	91,995	-	-	91,995
Restricted:				
Debt service . . . . .	-	12,080,013	-	12,080,013
Capital improvements . . . . .	-	-	2,767,438	2,767,438
Classroom facilities maintenance . . . . .	-	-	2,248,336	2,248,336
Food service operations . . . . .	-	-	1,503,189	1,503,189
Other purposes . . . . .	-	-	245,272	245,272
Extracurricular . . . . .	-	-	406,163	406,163
Committed:				
Termination benefits . . . . .	2,485,880	-	-	2,485,880
Assigned:				
Student instruction . . . . .	350,583	-	-	350,583
Student and staff support . . . . .	1,660,842	-	-	1,660,842
Facilities acquisition and construction . . . . .	48,637	-	-	48,637
Subsequent year's appropriations . . . . .	2,769,206	-	-	2,769,206
Other purposes . . . . .	389,446	-	-	389,446
Unassigned (deficit) . . . . .	25,721,481	-	(364,493)	25,356,988
Total fund balances . . . . .	<u>33,518,070</u>	<u>12,080,013</u>	<u>6,823,194</u>	<u>52,421,277</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 79,479,288</u>	<u>\$ 22,218,947</u>	<u>\$ 9,115,106</u>	<u>\$ 110,813,341</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, 2017

<b>Total governmental fund balances</b>		\$ 52,421,277
<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.		151,951,404
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,433,022	
Income taxes receivable	1,144,979	
Accrued interest receivable	79,328	
Intergovernmental receivable	490,409	
Total	3,147,738	
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position.		5,761,211
Unamortized premiums on refunding bonds issued are not recognized in the funds.		(4,732,519)
Unamortized amounts on refundings are not recognized in the funds.		3,954,142
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(250,324)
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	40,045,221	
Net pension liability	(195,243,329)	
Total	(155,198,108)	
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	(108,715,476)	
Capital lease obligations	(2,961,501)	
Compensated absences	(6,274,523)	
Total	(117,951,500)	
<b>Net position (deficit) of governmental activities</b>		<b>\$ (60,896,679)</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, 2017

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 36,613,846	\$ 11,359,009	\$ 408,840	\$ 48,381,695
Income taxes . . . . .	16,948,460	-	-	16,948,460
Payment in lieu of taxes . . . . .	118,311	37,055	1,316	156,682
Tuition . . . . .	438,038	-	-	438,038
Earnings on investments . . . . .	406,945	-	13,682	420,627
Charges for services . . . . .	-	-	2,985,259	2,985,259
Extracurricular . . . . .	797,276	-	660,232	1,457,508
Classroom materials and fees . . . . .	438,804	-	-	438,804
Rental income . . . . .	248,898	-	39,168	288,066
Contributions and donations . . . . .	38,861	-	105,535	144,396
Contract services . . . . .	-	-	713,773	713,773
Other local revenues . . . . .	191,478	-	59,281	250,759
Intergovernmental - state . . . . .	58,752,079	1,424,286	339,303	60,515,668
Intergovernmental - federal . . . . .	372,777	-	4,577,297	4,950,074
Total revenues . . . . .	<u>115,365,773</u>	<u>12,820,350</u>	<u>9,903,686</u>	<u>138,089,809</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	48,505,882	-	241,292	48,747,174
Special . . . . .	15,529,149	-	1,146,868	16,676,017
Vocational . . . . .	529,683	-	-	529,683
Other . . . . .	3,400,652	-	819,336	4,219,988
Support services:				
Pupil . . . . .	6,883,920	-	81,145	6,965,065
Instructional staff . . . . .	4,799,864	-	230,945	5,030,809
Board of education . . . . .	684,374	-	-	684,374
Administration . . . . .	7,949,564	-	87,393	8,036,957
Fiscal . . . . .	1,915,366	196,793	7,082	2,119,241
Business . . . . .	382,902	-	-	382,902
Operations and maintenance . . . . .	10,229,463	-	1,036,258	11,265,721
Pupil transportation . . . . .	6,477,820	-	9,576	6,487,396
Central . . . . .	1,056,187	-	-	1,056,187
Operation of non-instructional services:				
Other non-instructional services . . . . .	112,119	-	668,757	780,876
Food service operations . . . . .	-	-	5,035,655	5,035,655
Extracurricular activities . . . . .	1,951,005	-	765,007	2,716,012
Facilities acquisition and construction . . . . .	78,188	-	2,138,255	2,216,443
Capital outlay . . . . .	2,771,341	-	-	2,771,341
Debt service:				
Principal retirement . . . . .	1,099,629	6,275,531	18,269	7,393,429
Interest and fiscal charges . . . . .	128,004	2,849,548	2	2,977,554
Refunding bond issuance costs . . . . .	-	474,553	-	474,553
Accretion on capital appreciation bonds . . . . .	-	2,739,469	96,731	2,836,200
Total expenditures . . . . .	<u>114,485,112</u>	<u>12,535,894</u>	<u>12,382,571</u>	<u>139,403,577</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>880,661</u>	<u>284,456</u>	<u>(2,478,885)</u>	<u>(1,313,768)</u>
<b>Other financing sources (uses):</b>				
Premium on refunding bonds . . . . .	-	960,919	-	960,919
Sale of refunding bonds . . . . .	-	57,755,000	-	57,755,000
Sale of assets . . . . .	29	-	1,604	1,633
Transfers in . . . . .	-	41,388	750,000	791,388
Transfers (out) . . . . .	(750,000)	-	(41,388)	(791,388)
Lease purchase transaction . . . . .	2,771,341	-	-	2,771,341
Payment to refunding bond escrow agent . . . . .	-	(61,920,960)	-	(61,920,960)
Total other financing sources (uses) . . . . .	<u>2,021,370</u>	<u>(3,163,653)</u>	<u>710,216</u>	<u>(432,067)</u>
Net change in fund balances . . . . .	2,902,031	(2,879,197)	(1,768,669)	(1,745,835)
<b>Fund balances at beginning of year . . . . .</b>	<b>30,616,039</b>	<b>14,959,210</b>	<b>8,591,863</b>	<b>54,167,112</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 33,518,070</u></b>	<b><u>\$ 12,080,013</u></b>	<b><u>\$ 6,823,194</u></b>	<b><u>\$ 52,421,277</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, 2017

**Net change in fund balances - total governmental funds** \$ (1,745,835)

*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	\$ 605,553	
Current year depreciation	(7,545,285)	
<b>Total</b>	<b>(6,939,732)</b>	<b>(6,939,732)</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (294,478)

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

Property taxes	(182,831)	
Income taxes	48,001	
Earnings on investments	31,561	
Intergovernmental	209,538	
<b>Total</b>	<b>106,269</b>	<b>106,269</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	4,330,000	
Capital appreciation bonds	1,963,800	
Accreted interest on capital appreciation bonds	2,836,200	
Capital leases	1,099,629	
<b>Total</b>	<b>10,229,629</b>	<b>10,229,629</b>

Issuances 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	(57,755,000)	
Lease purchase	(2,771,341)	
<b>Total</b>	<b>(60,526,341)</b>	<b>(60,526,341)</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. 61,920,960

Premiums on bonds related to the issuance of bonds are amortized over the life of the issuance in the statement of activities. (960,919)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows. 9,794,462

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (17,518,004)

- - (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, 2017

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	\$	32,270	
Accreted interest on capital appreciation bonds		(1,463,405)	
Amortization of bond premiums		583,583	
Amortization of deferred charges		<u>(461,507)</u>	
Total	\$		(1,309,059)

The net effect of the trade-in of capital leases is an increase to the statement of net position. 342,489

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. (748,387)

Internal service funds used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (206,807)

**Change in net position of governmental activities** \$ (7,855,753)

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, 2017

	<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 . . . . .	\$ 35,830,273	\$ 35,830,273	\$ 35,931,329	\$ 101,056
Income taxes . . . . .	16,242,763	16,242,763	16,658,583	415,820
Payment in lieu of taxes . . . . .	117,136	117,136	118,311	1,175
Tuition . . . . .	494,444	494,444	411,909	(82,535)
Earnings on investments . . . . .	262,614	262,614	625,573	362,959
Contributions and donations . . . . .	1,000	1,000	900	(100)
Other local revenues . . . . .	-	-	12,327	12,327
Intergovernmental - state . . . . .	56,664,197	56,664,197	58,655,523	1,991,326
Intergovernmental - federal . . . . .	475,905	475,905	372,777	(103,128)
<b>Total revenues . . . . .</b>	<b>110,088,332</b>	<b>110,088,332</b>	<b>112,787,232</b>	<b>2,698,900</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	48,499,754	48,499,754	48,978,322	(478,568)
Special . . . . .	15,388,785	15,388,785	15,529,346	(140,561)
Vocational . . . . .	678,432	678,432	608,987	69,445
Other . . . . .	3,484,804	3,484,804	3,329,177	155,627
Support services:				
Pupil . . . . .	6,844,646	6,844,646	6,973,467	(128,821)
Instructional staff . . . . .	5,310,624	5,310,624	5,241,612	69,012
Board of education . . . . .	1,054,713	1,054,713	894,757	159,956
Administration . . . . .	8,704,207	8,704,207	7,969,634	734,573
Fiscal . . . . .	2,017,122	2,017,122	1,927,457	89,665
Business . . . . .	888,366	888,366	784,308	104,058
Operations and maintenance . . . . .	11,923,119	11,923,119	11,195,353	727,766
Pupil transportation . . . . .	7,717,479	7,717,479	6,707,699	1,009,780
Central . . . . .	778,957	778,957	969,829	(190,872)
Operation non-instructional services . . . . .	-	-	824	(824)
Extracurricular activities . . . . .	983,756	983,756	1,109,792	(126,036)
Facilities acquisition and construction . . . . .	120,700	120,700	126,849	(6,149)
<b>Total expenditures . . . . .</b>	<b>114,395,464</b>	<b>114,395,464</b>	<b>112,347,413</b>	<b>2,048,051</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(4,307,132)	(4,307,132)	439,819	4,746,951
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	12	12	14,061	14,049
Advances in . . . . .	12,019	12,019	3,116	(8,903)
Transfer (out) . . . . .	(750,000)	(750,000)	(753,116)	(3,116)
Sale of assets . . . . .	8,134	8,134	29	(8,105)
<b>Total other financing sources (uses) . . . . .</b>	<b>(729,835)</b>	<b>(729,835)</b>	<b>(735,910)</b>	<b>(6,075)</b>
Net change in fund balance . . . . .	(5,036,967)	(5,036,967)	(296,091)	4,740,876
<b>Fund balance at beginning of year . . . . .</b>	<b>27,527,525</b>	<b>27,527,525</b>	<b>27,527,525</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>2,142,289</b>	<b>2,142,289</b>	<b>2,142,289</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 24,632,847</b>	<b>\$ 24,632,847</b>	<b>\$ 29,373,723</b>	<b>\$ 4,740,876</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 6,845,199
<b>Receivables:</b>	
Intergovernmental . . . . .	<u>226,112</u>
Total assets . . . . .	<u>7,071,311</u>
<b>Liabilities:</b>	
Claims payable . . . . .	<u>1,310,100</u>
Total liabilities . . . . .	<u>1,310,100</u>
<b>Net position:</b>	
Unrestricted . . . . .	<u>5,761,211</u>
Total net position . . . . .	<u>\$ 5,761,211</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 14,268,460
Other . . . . .	226,112
Total operating revenues . . . . .	<u>14,494,572</u>
<b>Operating expenses:</b>	
Purchased services. . . . .	8,500
Claims . . . . .	14,692,879
Total operating expenses. . . . .	<u>14,701,379</u>
Change in net position . . . . .	(206,807)
<b>Net position at beginning of year. . . . .</b>	<u>5,968,018</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 5,761,211</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities - Internal Service Funds</u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 13,943,460
Cash received from other revenue . . . . .	325,000
Cash payments for contractual services . . . . .	(8,500)
Cash payments for claims . . . . .	<u>(14,324,879)</u>
 Net cash used in operating activities . . . . .	 <u>(64,919)</u>
 Net decrease in cash and cash equivalents . . . . .	 (64,919)
 <b>Cash and cash equivalents at beginning of year . . .</b>	 <u>6,910,118</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b><u>\$ 6,845,199</u></b>
 <b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss . . . . .	\$ (206,807)
Changes in assets and liabilities:	
(Increase) in intergovernmental receivable. . . . .	(226,112)
Increase in claims payable . . . . .	<u>368,000</u>
 Net cash used in operating activities. . . . .	 <u>\$ (64,919)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<b>Endowment</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 5,150	\$ 272,172
Receivables:		
Accounts . . . . .	-	12,077
Intergovernmental . . . . .	-	40,925
Total assets. . . . .	5,150	\$ 325,174
<b>Liabilities:</b>		
Accounts payable. . . . .	500	\$ 69,165
Pension obligation payable. . . . .	-	127
Intergovernmental payable . . . . .	-	2,375
Deposits held and due to others . . . . .	-	73,703
Due to students. . . . .	-	179,804
Total liabilities . . . . .	500	\$ 325,174
<b>Net position:</b>		
Held in trust for scholarships . . . . .	4,650	
Total net position. . . . .	\$ 4,650	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Private Purpose Trust</u>	
	<u>Endowment</u>	
<b>Additions:</b>		
Gifts and contributions. . . . .	\$	1,025
Total additions. . . . .		<u>1,025</u>
 <b>Deductions:</b>		
Scholarships awarded . . . . .		<u>500</u>
Change in net position . . . . .		525
<b>Net position at beginning of year. . . . .</b>		<u>4,125</u>
<b>Net position at end of year . . . . .</b>	<b>\$</b>	<b><u>4,650</u></b>

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, 2017**

**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 266 non-certified, 667 certified and 70 administrative employees to provide services to approximately 10,233 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, 2017

**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 a computer consortium that 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, 2017

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

Ohio School Plan

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and 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 account 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, 2017**

**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, 2017

**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, payment in lieu of taxes and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 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, 2017, but which were levied to finance fiscal year 2018 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.

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, 2017

**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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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 2017, investments were limited to negotiable and nonnegotiable certificates of deposits (CDs), commercial paper, money market mutual fund, Federal Farm Credit Bank (FFCB) Securities, Federal Home Loan Mortgage Corporation (FHLMC) 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.

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

For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$406,945, which includes \$92,521 assigned from other District funds.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

**G. Inventory**

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

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

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. During fiscal year 2017, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**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.

**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 or inflows 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.



**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

*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.

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

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

**N. Net Position**

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

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

**O. Prepayments**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

**P. Estimates**

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

**Q. 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 2017, the District has implemented GASB Statement No. 77, "*Tax Abatement Disclosures*", GASB Statement No. 78, "*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*", GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*" and GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*".

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government's tax revenues. These disclosures were incorporated in the District's fiscal year 2017 financial statements (see Note 20); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2017 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
IDEA Part-B	\$ 200,293
Title III	10,442
Title I	123,487
Improving teacher quality	30,271

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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.

**B. Cash in Segregated Accounts**

At fiscal year-end \$115,360 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, 2017, the carrying amount of all District deposits was \$7,436,786. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$7,090,497 of the District's bank balance of \$7,737,286 was exposed to custodial risk as discussed below, while \$646,789 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**D. Investments**

As of June 30, 2017, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Amount	Investment Maturities			
		6 months or less	7 to 12 months	19 to 24 months	Greater than 24 months
<i>Amortized Cost:</i>					
STAR Ohio	\$ 9,389,129	\$ 9,389,129	\$ -	\$ -	\$ -
<i>Fair Value:</i>					
FHLMC	8,710,037	-	-	2,091,999	6,618,038
FNMA	9,763,434	-	-	-	9,763,434
FFCB	1,293,188	-	-	1,293,188	-
FFCB - discount	932,123	-	932,123	-	-
U.S. Government money market mutual fund	51,189	51,189	-	-	-
Negotiable CD's	999,604	-	-	-	999,604
Commercial paper	<u>22,433,923</u>	<u>9,344,008</u>	<u>13,089,915</u>	-	-
Total	<u>\$ 53,572,627</u>	<u>\$ 18,784,326</u>	<u>\$ 14,022,038</u>	<u>\$ 3,385,187</u>	<u>\$ 17,381,076</u>

The weighted average maturity of investments is 1.44 years.

The District's investments in U.S Government money market mutual funds are valued using quoted market prices (Level 1 inputs).

The District's investments in federal agency securities, negotiable certificates of deposit and commercial paper are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either direct or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The District's investments in federal securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper investments were rated A-1 and A-1+ by Standard & Poor's and P-1 by Moody's Investor Services. The U.S. Government money market mutual fund and negotiable certificates of deposit 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*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, FHLMC and FNMA securities and negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee. The negotiable CDs are covered by FDIC.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
STAR Ohio	\$ 9,389,129	17.53
FHLMC	8,710,037	16.25
FNMA	9,763,434	18.23
FFCB	1,293,188	2.41
FFCB - discount	932,123	1.74
U.S. Government money market mutual fund	51,189	0.10
Negotiable CD's	999,604	1.87
Commercial paper	<u>22,433,923</u>	<u>41.87</u>
Total	<u>\$ 53,572,627</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, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 7,436,786
Investments	<u>53,572,627</u>
Total	<u>\$ 61,009,413</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 60,732,091
Private purpose trust fund	5,150
Agency funds	<u>272,172</u>
Total	<u>\$ 61,009,413</u>



**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended June 30, 2017, consisted of the following, as reported on the fund financial statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	\$ 750,000
<u>Transfers from nonmajor governmental fund to:</u>	
District debt service fund	41,388
	<u>\$ 791,388</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 2017 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, 2017 consisted of the following individual amounts, as reported in the fund financial statements:

<u>Due to general fund from:</u>	<u>Amount</u>
Miscellaneous state grants	\$ 1,611
IDEA Part-B	179,285
Title III	4,750
Title I	61,871
Improving teacher quality	7,500
Total	<u>\$ 255,017</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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of calendar year 2016 taxes. Public utility real and personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, 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, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 was \$3,964,121 in the general fund, \$1,235,441 in the District debt service fund and \$44,128 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for 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). 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, 2017 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.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,120,904,800	98.15	\$ 1,194,140,970	98.22
Public utility personal	<u>21,084,440</u>	<u>1.85</u>	<u>21,581,640</u>	<u>1.78</u>
<b>Total</b>	<b><u>\$ 1,141,989,240</u></b>	<b><u>100.00</u></b>	<b><u>\$ 1,215,722,610</u></b>	<b><u>100.00</u></b>
Tax rate per \$1,000 of assessed valuation for:				
General	\$72.20		\$72.20	
Bond	10.90		10.50	
Facilities maintenance	0.50		0.50	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2017 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	\$ 47,916,522
Income taxes	7,229,430
Payment in lieu of taxes	156,682
Accounts	5,501
Accrued interest	97,171
Intergovernmental	<u>1,334,838</u>
<b>Total</b>	<b><u>\$ 56,740,144</u></b>

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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 8 - CAPITAL ASSETS**

Governmental capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2017</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>(971,689)</u>	<u>9,185,480</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	20,052,546	302,060	-	20,354,606
Building and improvements	226,268,156	485,009	-	226,753,165
Furniture and equipment	6,989,062	790,173	(1,379,086)	6,400,149
Vehicles	2,950,001	-	(511,977)	2,438,024
Total capital assets, being depreciated	<u>256,259,765</u>	<u>1,577,242</u>	<u>(1,891,063)</u>	<u>255,945,944</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(11,056,162)	(895,408)	-	(11,951,570)
Building and improvements	(89,415,384)	(6,136,185)	-	(95,551,569)
Furniture and equipment	(4,906,060)	(294,806)	1,151,158	(4,049,708)
Vehicles	(1,853,714)	(218,886)	445,427	(1,627,173)
Total accumulated depreciation	<u>(107,231,320)</u>	<u>(7,545,285)</u>	<u>1,596,585</u>	<u>(113,180,020)</u>
Governmental activities capital assets, net	<u>\$ 159,185,614</u>	<u>\$ (5,968,043)</u>	<u>\$ (1,266,167)</u>	<u>\$ 151,951,404</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 4,994,375
Special	271,203
Vocational	16,729
<u>Support services:</u>	
Pupil	180,288
Instructional staff	381,578
Administration	169,420
Fiscal	1,269
Operations and maintenance	525,747
Pupil transportation	158,878
Central	2,609
Extracurricular activities	156,702
Food service operation	686,487
Total depreciation expense	<u>\$ 7,545,285</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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, 2017, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$334,020 has been booked as of June 30, 2017 leaving a book value of \$1,336,102. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$111,363 and \$42,522, 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, 2017, capital assets acquired by lease purchase have been capitalized under furniture and equipment in the amount of \$925,275. The District traded in all of the copiers being leased through this lease purchase-agreement. Principal and interest payments totaled \$31,533 and \$2,147, respectively, were made before all the copiers were traded in. The outstanding balance of the leases traded in was \$342,489. Lease-purchase payments have been reflected as debt service expenditures from the general fund.

During fiscal year 2015 and the current fiscal year, the District entered into lease-purchase agreements with Apple, Inc. These leases meet the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. These leases were used to acquire various Apple products for students including iPads and computers. At June 30, 2017, these items acquired by lease purchase total \$2,906,601 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 \$606,476 and \$5,451, 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, 2017, capital assets acquired by lease purchase have been capitalized under vehicles in the amount of \$174,357. Accumulated depreciation of \$32,692 has been booked as of June 30, 2017 leaving a book value of \$141,665. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$56,170 and \$3,919, respectively.

During the current fiscal year, 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, 2017, capital assets acquired by lease purchase have been capitalized under furniture and equipment in the amount of \$1,385,157. Principal and interest payments totaled \$294,087 and \$73,965, respectively. Lease-purchase payments have been reflected as debt service expenditures from the general fund.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements and the present value of the minimum lease payments as of June 30, 2017.

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2018	\$ 880,691
2019	820,690
2020	820,693
2021	661,063
2022	5,113
2023	<u>89</u>
Total minimum lease payments	3,188,339
Less: amount representing interest	<u>(226,838)</u>
Present value of minimum lease payments	<u>\$ 2,961,501</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).

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the District's general obligation bonds outstanding at June 30, 2017:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>
<b>General Obligation Bonds:</b>				
Series 2001, capital appreciation bonds	\$ 1,800,537	\$ -	\$ (1,800,537)	\$ -
Series 2001, capital appreciation bonds accreted interest	1,944,252	95,211	(2,039,463)	-
Series 2004, capital appreciation bonds	144,994	-	(144,994)	-
Series 2004, capital appreciation bonds accreted interest	642,784	57,222	(700,006)	-
Series 2006, current interest refunding bonds	51,785,000	-	(51,785,000)	-
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	8,216,868	1,303,701	-	9,520,569
Series 2007, current interest bonds	13,710,000	-	(12,040,000)	1,670,000
Series 2014, current interest refunding bonds	26,670,000	-	(50,000)	26,620,000
Series 2015, current interest refunding bonds	8,805,000	-	-	8,805,000
Series 2016B, current interest refunding bonds	-	10,010,000	-	10,010,000
Series 2016, current interest refunding bonds	-	47,745,000	(765,000)	46,980,000
<b>Public Library Refunding Bonds:</b>				
Series 2002, capital appreciation bonds	18,269	-	(18,269)	-
Series 2002, capital appreciation bonds accreted interest	<u>89,460</u>	<u>7,271</u>	<u>(96,731)</u>	<u>-</u>
Total general obligation bonds	<u>\$ 118,937,071</u>	<u>\$ 59,218,405</u>	<u>\$ (69,440,000)</u>	<u>\$ 108,715,476</u>

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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.

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. The District fulfilled this long-term bond obligation in the current fiscal year.

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). In fiscal year 2017, the remaining capital appreciation bonds of \$1,800,537 matured with accreted interest of \$2,039,463.

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. This amount has been fully defeased.

The refunding issue was 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 matured 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 was \$115,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$37,600. This amount was 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).

The District fulfilled this long-term bond obligation in the current fiscal year.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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 in the amount of \$1,800,000.

The refunding issue was 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 was 4.0%. The capital appreciation bonds matured 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 was \$845,000.

The current interest bonds were funded in the amount of \$3,450,000 with proceeds from the series 2014 refunding bonds and matured in the prior year.

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

Series 2006 Refunding General Obligation Bonds - On February 26, 2006, the District issued general obligation bonds (Series 2006 Refunding Bonds) to advance refund the callable portion of the Series 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 \$9,520,569 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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

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 were 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.

The current interest bonds were refunded in the amount of \$26,125,000, \$9,220,000 and \$10,450,000 with proceeds from the series 2014, 2015 and 2016 refunding bonds, respectively. The difference in the amount refunded and the refunding for the 2014, 2015 and 2016 refunding bonds is \$1,455,000, \$415,000 and \$440,000, respectively.

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 in the amount of \$3,143,769.

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 advance refunding was undertaken to reduce the combined total debt service payments through December 1, 2018 by \$2,481,695 and resulted in a net present value economic gain of \$1,463,236. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

Series 2015 Refunding General Obligation Bonds - On December 10, 2015, the District issued general obligation bonds (Series 2015 Refunding Bonds) to advance refund the callable portion of the Series 2007 current interest general obligation bonds (\$8,805,000). The issuance proceeds of \$8,805,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position in the amount of \$1,670,000.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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.

Series 2016 Refunding General Obligation Bonds - On September 8, 2016, the District issued \$47,745,000 general obligation bonds (Series 2016 Refunding Bonds) to refund the callable portion of the Series 2006 current interest general obligation bonds (\$49,860,000). The issuance proceeds of \$50,898,545 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position in the amount of \$53,105,282.

The refunding issue is comprised of current interest bonds with an interest rate of 2.75%. The net carrying amount exceeded the reacquisition price of the old debt by \$697,610. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce the combined total debt service payments through December 1, 2028 by \$11,221,177 and resulted in a net present value economic gain of \$4,742,467.

Series 2016B Refunding General Obligation Bonds - On July 6, 2016, the District issued \$10,010,000 general obligation bonds (Series 2016B Refunding Bonds) to refund the callable portion of the Series 2007 current interest general obligation bonds (\$10,450,000). The issuance proceeds of \$11,022,414 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position in the amount of \$9,220,000.

The refunding issue is comprised of current interest bonds with an interest rate ranging from 3.111% to 4.000%. The reacquisition price exceeded the net carrying amount of the old debt by \$1,201,354. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding was undertaken to reduce the combined total debt service payments through December 1, 2034 by \$1,813,276 and resulted in a net present value economic gain of \$1,385,476.

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

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 3,385,000	\$ 3,099,338	\$ 6,484,338	\$ 1,864,625	\$ 3,730,375	\$ 5,595,000
2019	3,495,000	2,974,950	6,469,950	1,697,318	3,892,682	5,590,000
2020	3,625,000	2,870,882	6,495,882	1,547,964	4,047,036	5,595,000
2021	8,420,000	2,703,561	11,123,561	-	-	-
2022	8,130,000	2,451,626	10,581,626	-	-	-
2023 - 2027	42,950,000	8,283,381	51,233,381	-	-	-
2028 - 2032	14,070,000	3,315,988	17,385,988	-	-	-
2033 - 2035	10,010,000	533,769	10,543,769	-	-	-
Total	<u>\$ 94,085,000</u>	<u>\$ 26,233,495</u>	<u>\$ 120,318,495</u>	<u>\$ 5,109,907</u>	<u>\$ 11,670,093</u>	<u>\$ 16,780,000</u>

The difference in the amount due in the schedule below in Note 10.C. and the amortization schedule above is \$9,520,569 which is the amount of capital appreciation bond accreted interest that has been recognized as of June 30, 2017.

**C.** During the fiscal year 2017, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2016	Additions	Reductions	Balance Outstanding June 30, 2017	Amounts Due in One Year
<b>Governmental activities:</b>					
<u>General Obligation Bonds:</u>					
General obligation bonds	<u>\$ 118,937,071</u>	<u>\$ 59,218,405</u>	<u>\$ (69,440,000)</u>	<u>\$ 108,715,476</u>	<u>\$ 8,724,853</u>
Total general obligation bonds payable	<u>118,937,071</u>	<u>59,218,405</u>	<u>(69,440,000)</u>	<u>108,715,476</u>	<u>8,724,853</u>
<u>Other Long-Term Obligations:</u>					
Lease-purchase obligations	1,632,278	2,771,341	(1,442,118)	2,961,501	788,542
Net pension liability	157,731,775	37,511,554	-	195,243,329	-
Compensated absences	<u>5,582,330</u>	<u>1,771,828</u>	<u>(936,143)</u>	<u>6,418,015</u>	<u>901,291</u>
Total other long-term obligations	<u>164,946,383</u>	<u>42,054,723</u>	<u>(2,378,261)</u>	<u>204,622,845</u>	<u>1,689,833</u>
Total governmental activities	<u>\$ 283,883,454</u>	<u>\$ 101,273,128</u>	<u>\$ (71,818,261)</u>	<u>313,338,321</u>	<u>\$ 10,414,686</u>
Add: unamortized premiums on refundings				<u>4,732,519</u>	
Total on statement of net position				<u>\$ 318,070,840</u>	

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

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. The District pays obligations related to employee compensation from the fund benefitting from their service, which is primarily the general fund.

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

**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, 2017, 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 forgave 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**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.

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/ Theft per occurrence	1,000,000
General school district liability:	
Per occurrence	4,000,000
Total per aggregate	6,000,000

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

For policy year 2017, 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. This is due to the District being a part of the Group Retrospective Rating Plan until December 31, 2016. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium.

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

**C. Self-Insured Worker's Compensation Program**

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

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

**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.

The claims liability of \$1,310,100 reported in the internal service fund at June 30, 2017 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 2016 and 2017 are listed below:

	Balance at Beginning of Year	Current Claims	Claims Payment	Balance at End of Year
2017	\$ 942,100	\$ 14,683,824	\$ (14,315,824)	\$ 1,310,100
2016	805,000	12,250,760	(12,113,660)	942,100

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - RISK MANAGEMENT - (Continued)**

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

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

**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.



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

***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, 2017, 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The District's contractually required contribution to SERS was \$1,989,165 for fiscal year 2017. Of this amount, \$130,776 is reported as pension and postemployment obligation.

***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.

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FAIRFIELD COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 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 2017 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$7,805,297 for fiscal year 2017. Of this amount, \$1,251,000 is reported as pension and postemployment obligation.

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

The net pension liability was measured as of June 30, 2016, 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:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.41343850%	0.48536458%	
Proportion of the net pension liability current measurement date	0.42904250%	0.48947303%	
Change in proportionate share	0.01560400%	0.00410845%	
Proportionate share of the net pension liability	\$ 31,401,952	\$ 163,841,377	\$ 195,243,329
Pension expense	\$ 3,793,509	\$ 13,724,495	\$ 17,518,004

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At June 30, 2017, 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	\$ 423,540	\$ 6,619,979	\$ 7,043,519
Net difference between projected and actual earnings on pension plan investments	2,590,204	13,603,235	16,193,439
Changes of assumptions	2,096,252	-	2,096,252
Difference between District contributions and proportionate share of contributions/ change in proportionate share	1,073,001	3,844,548	4,917,549
District contributions subsequent to the measurement date	<u>1,989,165</u>	<u>7,805,297</u>	<u>9,794,462</u>
Total deferred outflows of resources	<u>\$ 8,172,162</u>	<u>\$ 31,873,059</u>	<u>\$ 40,045,221</u>

\$9,794,462 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	\$ 1,716,912	\$ 4,401,790	\$ 6,118,702
2019	1,715,046	4,401,790	6,116,836
2020	2,006,459	9,621,733	11,628,192
2021	<u>744,580</u>	<u>5,642,449</u>	<u>6,387,029</u>
Total	<u>\$ 6,182,997</u>	<u>\$ 24,067,762</u>	<u>\$ 30,250,759</u>

**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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 41,574,228	\$ 31,401,952	\$ 22,887,334

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*Actuarial Assumptions - STRS*

The total pension liability in the June 30, 2016, 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, 2016, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return *</u>
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	 <u>100.00 %</u>	 <u>7.61 %</u>

\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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, 2016. 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, 2016. 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, 2016.

**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	\$ 217,731,877	\$ 163,841,377	\$ 118,381,564

**Changes Between Measurement Date and Report Date** - In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to District's NPL is expected to be significant.

**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.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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.

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 2017, 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 2017, this amount was \$23,500. 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 2017, the District's surcharge obligation was \$252,216.

The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$252,216, \$220,636, and \$303,234, respectively. The fiscal year 2017 amount has been reported as pension and postemployment obligation. The full amount has been contributed for fiscal years 2016 and 2015.

**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 law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. The District's did not make any contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**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);
- (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	\$ (296,091)
Net adjustment for revenue accruals	847,737
Net adjustment for expenditure accruals	(2,715,358)
Net adjustment for other sources/uses	2,760,396
Funds budgeted elsewhere	(476,939)
Adjustment for encumbrances	2,782,286
GAAP basis	<u>\$ 2,902,031</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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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.

**C. Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School 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 2017, the District income tax generated \$16,948,460 in revenue on the modified 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 18 - SET-ASIDES - (Continued)**

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2016	\$ -
Current year set-aside requirement	1,741,829
Current year qualifying expenditures	(686,586)
Current year offsets	(454,649)
Prior year offset from bond proceeds	<u>(600,594)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2018	<u>\$ -</u>
Set-aside balance June 30, 2017	<u>\$ -</u>

During prior fiscal years, the District issued \$161,400,000 in classroom facilities construction bonds. These proceeds may be used to reduce capital acquisition to zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$148,743,280 at June 30, 2017.

**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	\$ 1,841,314
Nonmajor governmental funds	<u>822,887</u>
Total	<u>\$ 2,664,201</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

**Community Reinvestment Areas**

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

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

The CRA agreements entered into by the City of Pickerington, Violet Township, and Fairfield County affect the property tax receipts collected and distributed to the District. Under these agreements, the District's property taxes were reduced by \$29,452.

REQUIRED SUPPLEMENTARY INFORMATION

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**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 FOUR FISCAL YEARS (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.42904250%	0.41343850%	0.39699100%	0.39699100%
District's proportionate share of the net pension liability	\$ 31,401,952	\$ 23,591,202	\$ 20,091,468	\$ 23,607,781
District's covered payroll	\$ 13,144,543	\$ 12,446,654	\$ 11,535,772	\$ 8,845,773
District's proportionate share of the net pension liability as a percentage of its covered payroll	238.90%	189.54%	174.17%	266.88%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

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

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior 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 FOUR FISCAL YEARS (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.48947303%	0.48536458%	0.46866539%	0.46866539%
District's proportionate share of the net pension liability	\$ 163,841,377	\$ 134,140,573	\$ 113,995,642	\$ 135,790,863
District's covered payroll	\$ 51,928,429	\$ 50,639,664	\$ 47,884,654	\$ 46,012,108
District's proportionate share of the net pension liability as a percentage of its covered payroll	315.51%	264.89%	238.06%	295.12%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%	69.30%

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

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,989,165	\$ 1,840,236	\$ 1,640,469	\$ 1,598,858
Contributions in relation to the contractually required contribution	<u>(1,989,165)</u>	<u>(1,840,236)</u>	<u>(1,640,469)</u>	<u>(1,598,858)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 14,208,321	\$ 13,144,543	\$ 12,446,654	\$ 11,535,772
Contributions as a percentage of covered payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,224,255	\$ 1,195,166	\$ 1,192,105	\$ 1,324,677	\$ 872,799	\$ 826,061
<u>(1,224,255)</u>	<u>(1,195,166)</u>	<u>(1,192,105)</u>	<u>(1,324,677)</u>	<u>(872,799)</u>	<u>(826,061)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,845,773	\$ 8,885,993	\$ 9,483,731	\$ 9,783,434	\$ 8,869,909	\$ 8,412,026
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

**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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,805,297	\$ 7,269,980	\$ 7,089,553	\$ 6,225,005
Contributions in relation to the contractually required contribution	<u>(7,805,297)</u>	<u>(7,269,980)</u>	<u>(7,089,553)</u>	<u>(6,225,005)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 55,752,121	\$ 51,928,429	\$ 50,639,664	\$ 47,884,654
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 5,981,574	\$ 6,089,137	\$ 6,667,463	\$ 6,721,083	\$ 6,491,643	\$ 6,275,519
<u>(5,981,574)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 46,012,108	\$ 46,839,515	\$ 51,288,177	\$ 51,700,638	\$ 49,935,715	\$ 48,273,223
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, 2017**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014 - 2017. 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 Funds**

**General**

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

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

**District Debt Service**

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



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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	\$ 71,464,367	\$ 71,464,367	\$ 71,371,268	\$ (93,099)
Total Expenditures and Other Uses	<u>71,388,468</u>	<u>74,480,446</u>	<u>74,456,854</u>	<u>23,592</u>
Net Change in Fund Balances	75,899	(3,016,079)	(3,085,586)	(69,507)
Fund Balance at Beginning of Year	<u>13,930,158</u>	<u>13,930,158</u>	<u>13,930,158</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,006,057</u>	<u>\$ 10,914,079</u>	<u>\$ 10,844,572</u>	<u>\$ (69,507)</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 4,646,706	\$ 3,056,256	\$ 7,702,962
Cash in segregated accounts. . . . .	691	114,669	115,360
Receivables:			
Property taxes . . . . .	403,571	-	403,571
Payment in lieu of taxes . . . . .	1,316	-	1,316
Accounts. . . . .	1,500	-	1,500
Intergovernmental . . . . .	824,992	-	824,992
Materials and supplies inventory . . . . .	17,289	-	17,289
Inventory held for resale . . . . .	48,116	-	48,116
	<u>\$ 5,944,181</u>	<u>\$ 3,170,925</u>	<u>\$ 9,115,106</u>
<b>Total assets. . . . .</b>	<u>\$ 5,944,181</u>	<u>\$ 3,170,925</u>	<u>\$ 9,115,106</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 147,937	\$ 56,758	\$ 204,695
Contracts payable. . . . .	70,000	232,060	302,060
Retainage payable . . . . .	-	114,669	114,669
Accrued wages and benefits payable . . . . .	542,203	-	542,203
Intergovernmental payable . . . . .	15,324	-	15,324
Pension and postemployment obligation . . . . .	90,856	-	90,856
Due to other funds. . . . .	255,017	-	255,017
	<u>1,121,337</u>	<u>403,487</u>	<u>1,524,824</u>
<b>Total liabilities. . . . .</b>	<u>1,121,337</u>	<u>403,487</u>	<u>1,524,824</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year. . . . .	347,372	-	347,372
Payment in lieu of taxes levied for the next fiscal year. . . . .	1,316	-	1,316
Delinquent property tax revenue not available. . . . .	12,071	-	12,071
Intergovernmental revenue not available . . . . .	406,329	-	406,329
	<u>767,088</u>	<u>-</u>	<u>767,088</u>
<b>Total deferred inflows of resources . . . . .</b>	<u>767,088</u>	<u>-</u>	<u>767,088</u>
<b>Fund balances:</b>			
<b>Nonspendable:</b>			
Materials and supplies inventory . . . . .	17,289	-	17,289
<b>Restricted:</b>			
Capital improvements . . . . .	-	2,767,438	2,767,438
Classroom facilities maintenance . . . . .	2,248,336	-	2,248,336
Food service operations . . . . .	1,503,189	-	1,503,189
Other purposes. . . . .	245,272	-	245,272
Extracurricular . . . . .	406,163	-	406,163
Unassigned (deficit) . . . . .	(364,493)	-	(364,493)
	<u>4,055,756</u>	<u>2,767,438</u>	<u>6,823,194</u>
<b>Total fund balances . . . . .</b>	<u>4,055,756</u>	<u>2,767,438</u>	<u>6,823,194</u>
<b>Total liabilities, deferred inflow and fund balances. . .</b>	<u>\$ 5,944,181</u>	<u>\$ 3,170,925</u>	<u>\$ 9,115,106</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<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 . . . . .	\$ 408,840	\$ -	\$ -	\$ 408,840
Payment in lieu of taxes. . . . .	1,316	-	-	1,316
Earnings on investments . . . . .	13,562	-	120	13,682
Charges for services . . . . .	2,985,259	-	-	2,985,259
Extracurricular . . . . .	660,232	-	-	660,232
Rental income. . . . .	-	-	39,168	39,168
Contributions and donations . . . . .	105,535	-	-	105,535
Contract services . . . . .	713,773	-	-	713,773
Other local revenues . . . . .	53,620	-	5,661	59,281
Intergovernmental - state. . . . .	339,303	-	-	339,303
Intergovernmental - federal . . . . .	4,314,129	-	263,168	4,577,297
Total revenues . . . . .	<u>9,595,569</u>	<u>-</u>	<u>308,117</u>	<u>9,903,686</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	241,292	-	-	241,292
Special . . . . .	1,146,868	-	-	1,146,868
Other . . . . .	819,336	-	-	819,336
Support services:				
Pupil . . . . .	81,145	-	-	81,145
Instructional staff. . . . .	230,945	-	-	230,945
Administration . . . . .	87,393	-	-	87,393
Fiscal. . . . .	7,082	-	-	7,082
Operations and maintenance . . . . .	1,036,258	-	-	1,036,258
Pupil transportation . . . . .	9,576	-	-	9,576
Operation of non-instructional services:				
Other non-instructional services . . . . .	668,757	-	-	668,757
Food service operations. . . . .	5,035,655	-	-	5,035,655
Extracurricular activities. . . . .	765,007	-	-	765,007
Facilities acquisition and construction. . . . .	16,548	-	2,121,707	2,138,255
Debt service:				
Principal retirement. . . . .	-	18,269	-	18,269
Interest and fiscal charges . . . . .	-	2	-	2
Accretion on capital appreciation bonds. . . . .	-	96,731	-	96,731
Total expenditures . . . . .	<u>10,145,862</u>	<u>115,002</u>	<u>2,121,707</u>	<u>12,382,571</u>
Excess of expenditures over revenues. . . . .	<u>(550,293)</u>	<u>(115,002)</u>	<u>(1,813,590)</u>	<u>(2,478,885)</u>
<b>Other financing sources (uses):</b>				
Sale of assets . . . . .	1,604	-	-	1,604
Transfers in . . . . .	-	-	750,000	750,000
Transfers (out) . . . . .	-	(41,388)	-	(41,388)
Total other financing sources (uses) . . . . .	<u>1,604</u>	<u>(41,388)</u>	<u>750,000</u>	<u>710,216</u>
Net change in fund balances . . . . .	(548,689)	(156,390)	(1,063,590)	(1,768,669)
<b>Fund balances at beginning of year. . . . .</b>	<u>4,604,445</u>	<u>156,390</u>	<u>3,831,028</u>	<u>8,591,863</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 4,055,756</u>	<u>\$ -</u>	<u>\$ 2,767,438</u>	<u>\$ 6,823,194</u>

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

**Nonmajor Special Revenue Funds**

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

**Food Services**

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

**School Trusts**

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

**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.

**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.

**Improving Teacher Quality**

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

**Miscellaneous Federal Grants**

To account for federal grants not classified elsewhere.

The following funds are included in the 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, 2017

	<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. . . . .	\$ 1,737,495	\$ 19,035	\$ 2,294,974	\$ 445,193
Cash in segregated accounts. . . . .	-	-	-	691
Receivables:				
Property taxes . . . . .	-	-	403,571	-
Payment in lieu of taxes . . . . .	-	-	1,316	-
Accounts. . . . .	-	-	-	1,500
Intergovernmental . . . . .	14,329	-	-	-
Materials and supplies inventory . . . . .	17,289	-	-	-
Inventory held for resale . . . . .	48,116	-	-	-
Total assets. . . . .	<u>\$ 1,817,229</u>	<u>\$ 19,035</u>	<u>\$ 2,699,861</u>	<u>\$ 447,384</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 25,412	\$ 668	\$ 20,766	\$ 40,155
Contracts payable. . . . .	-	-	70,000	-
Accrued wages and benefits payable . . . . .	208,939	-	-	-
Intergovernmental payable . . . . .	2,528	-	-	200
Pension and postemployment obligation . . . . .	59,872	-	-	866
Due to other funds . . . . .	-	-	-	-
Total liabilities. . . . .	<u>296,751</u>	<u>668</u>	<u>90,766</u>	<u>41,221</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	347,372	-
Payment in lieu of taxes levied for the next fiscal year. . . . .	-	-	1,316	-
Delinquent property tax revenue not available. . . . .	-	-	12,071	-
Intergovernmental revenue not available . . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>360,759</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	17,289	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	2,248,336	-
Food service operations . . . . .	1,503,189	-	-	-
Other purposes. . . . .	-	18,367	-	-
Extracurricular . . . . .	-	-	-	406,163
Unassigned (deficits) . . . . .	-	-	-	-
Total fund balances (deficits) . . . . .	<u>1,520,478</u>	<u>18,367</u>	<u>2,248,336</u>	<u>406,163</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 1,817,229</u>	<u>\$ 19,035</u>	<u>\$ 2,699,861</u>	<u>\$ 447,384</u>

<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>	<u>Title III</u>	<u>Title I</u>
\$ 1,552	\$ 148,457	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	149,317	1,611	373,616	18,560	229,788
-	-	-	-	-	-
<u>\$ 1,552</u>	<u>\$ 297,774</u>	<u>\$ 1,611</u>	<u>\$ 373,616</u>	<u>\$ 18,560</u>	<u>\$ 229,788</u>
\$ -	\$ -	\$ -	\$ 29,020	\$ 1,472	\$ 173
-	-	-	-	-	-
-	63,337	-	144,116	7,769	118,042
-	843	-	10,151	113	1,489
-	8,241	-	17,006	1,088	3,783
-	-	1,611	179,285	4,750	61,871
-	72,421	1,611	379,578	15,192	185,358
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	194,331	13,810	167,917
-	-	-	194,331	13,810	167,917
-	-	-	-	-	-
-	-	-	-	-	-
1,552	225,353	-	-	-	-
-	-	-	-	-	-
-	-	-	(200,293)	(10,442)	(123,487)
<u>1,552</u>	<u>225,353</u>	<u>-</u>	<u>(200,293)</u>	<u>(10,442)</u>	<u>(123,487)</u>
<u>\$ 1,552</u>	<u>\$ 297,774</u>	<u>\$ 1,611</u>	<u>\$ 373,616</u>	<u>\$ 18,560</u>	<u>\$ 229,788</u>

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT**  
**FAIRFIELD COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2017

	<u>Improving Teacher Quality</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 4,646,706
Cash in segregated accounts. . . . .	-	691
Receivables:		
Property taxes . . . . .	-	403,571
Payment in lieu of taxes . . . . .	-	1,316
Accounts. . . . .	-	1,500
Intergovernmental . . . . .	37,771	824,992
Materials and supplies inventory . . . . .	-	17,289
Inventory held for resale . . . . .	-	48,116
	<hr/>	<hr/>
Total assets. . . . .	<u>\$ 37,771</u>	<u>\$ 5,944,181</u>
<b>Liabilities:</b>		
Accounts payable. . . . .	\$ 30,271	\$ 147,937
Contracts payable. . . . .	-	70,000
Accrued wages and benefits payable . . . . .	-	542,203
Intergovernmental payable . . . . .	-	15,324
Pension and postemployment obligation . . . . .	-	90,856
Due to other funds . . . . .	7,500	255,017
	<hr/>	<hr/>
Total liabilities. . . . .	<u>37,771</u>	<u>1,121,337</u>
<b>Deferred inflows of resources:</b>		
Property taxes levied for the next fiscal year. . . . .	-	347,372
Payment in lieu of taxes levied for the next fiscal year. . . . .	-	1,316
Delinquent property tax revenue not available. . . . .	-	12,071
Intergovernmental revenue not available . . . . .	30,271	406,329
	<hr/>	<hr/>
Total deferred inflows of resources . . . . .	<u>30,271</u>	<u>767,088</u>
<b>Fund balances:</b>		
Nonspendable:		
Materials and supplies inventory . . . . .	-	17,289
Restricted:		
Classroom facilities maintenance . . . . .	-	2,248,336
Food service operations . . . . .	-	1,503,189
Other purposes. . . . .	-	245,272
Extracurricular . . . . .	-	406,163
Unassigned (deficits) . . . . .	<u>(30,271)</u>	<u>(364,493)</u>
	<hr/>	<hr/>
Total fund balances (deficits) . . . . .	<u>(30,271)</u>	<u>4,055,756</u>
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Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 37,771</u>	<u>\$ 5,944,181</u>



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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, 2017

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ 408,840	\$ -
Payment in lieu of taxes. . . . .	-	-	1,316	-
Earnings on investments . . . . .	13,562	-	-	-
Charges for services . . . . .	2,985,259	-	-	-
Extracurricular . . . . .	-	-	-	660,232
Contributions and donations . . . . .	-	30,067	-	75,468
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	53,620
Intergovernmental - state. . . . .	28,297	-	256,083	-
Intergovernmental - federal . . . . .	1,986,663	-	-	-
<b>Total revenues . . . . .</b>	<b>5,013,781</b>	<b>30,067</b>	<b>666,239</b>	<b>789,320</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	26,200	-	-
Special . . . . .	-	-	-	-
Other . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	-	-	-	-
Administration . . . . .	-	-	-	891
Fiscal. . . . .	-	-	7,082	-
Operations and maintenance . . . . .	27	-	1,009,831	26,400
Pupil transportation . . . . .	-	-	-	-
Other non-instructional services . . . . .	-	-	-	-
Food service operations. . . . .	5,035,655	-	-	-
Extracurricular activities. . . . .	-	-	-	765,007
Facilities acquisition and construction. . . . .	-	-	16,548	-
<b>Total expenditures . . . . .</b>	<b>5,035,682</b>	<b>26,200</b>	<b>1,033,461</b>	<b>792,298</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	(21,901)	3,867	(367,222)	(2,978)
<b>Other financing sources:</b>				
Sale of assets. . . . .	-	-	-	1,604
<b>Total other financing sources. . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,604</b>
Net change in fund balances. . . . .	(21,901)	3,867	(367,222)	(1,374)
<b>Fund balances (deficits) at beginning of year. . . . .</b>	<b>1,542,379</b>	<b>14,500</b>	<b>2,615,558</b>	<b>407,537</b>
<b>Fund balances (deficits) at end of year . . . . .</b>	<b>\$ 1,520,478</b>	<b>\$ 18,367</b>	<b>\$ 2,248,336</b>	<b>\$ 406,163</b>

<u>Data Communication</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Miscellaneous State Grants</u>	<u>IDEA Part B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	713,773	-	-	-
-	-	-	-	-	-
25,200	-	-	2,435	27,288	-
-	-	-	-	-	1,430,565
<u>25,200</u>	<u>-</u>	<u>713,773</u>	<u>2,435</u>	<u>27,288</u>	<u>1,430,565</u>
-	-	-	13,089	-	-
-	-	-	-	-	1,079,552
-	-	-	-	-	205,405
25,200	-	-	-	25,582	30,363
-	-	-	-	-	92,373
-	-	-	-	1,707	84,795
-	-	-	-	-	-
-	-	-	-	-	-
-	-	632,450	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>25,200</u>	<u>-</u>	<u>632,450</u>	<u>13,089</u>	<u>27,289</u>	<u>1,492,488</u>
-	-	81,323	(10,654)	(1)	(61,923)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	81,323	(10,654)	(1)	(61,923)
-	1,552	144,030	10,654	1	(138,370)
<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ 225,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,293)</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, 2017

	<u>Title III</u>	<u>Title I</u>	<u>IDEA Preschool Grant</u>	<u>Improving Teacher Quality</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 . . . . .	78,654	695,666	17,496	95,420
Total revenues . . . . .	78,654	695,666	17,496	95,420
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	202,003	-	-
Special . . . . .	49,820	-	17,496	-
Other . . . . .	-	613,931	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	12,606	-	-	125,966
Administration . . . . .	-	-	-	-
Fiscal. . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	3,389	6,187	-	-
Other non-instructional services . . . . .	19,513	7,129	-	-
Food service operations. . . . .	-	-	-	-
Extracurricular activities. . . . .	-	-	-	-
Facilities acquisition and construction. . . . .	-	-	-	-
Total expenditures . . . . .	85,328	829,250	17,496	125,966
Excess (deficiency) of revenues over (under) expenditures. . . . .	(6,674)	(133,584)	-	(30,546)
<b>Other financing sources:</b>				
Sale of assets. . . . .	-	-	-	-
Total other financing sources. . . . .	-	-	-	-
Net change in fund balances. . . . .	(6,674)	(133,584)	-	(30,546)
<b>Fund balances (deficits) at beginning of year. . . . .</b>	<b>(3,768)</b>	<b>10,097</b>	<b>-</b>	<b>275</b>
<b>Fund balances (deficits) at end of year . . . . .</b>	<b>\$ (10,442)</b>	<b>\$ (123,487)</b>	<b>\$ -</b>	<b>\$ (30,271)</b>

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 408,840
-	1,316
-	13,562
-	2,985,259
-	660,232
-	105,535
-	713,773
-	53,620
-	339,303
<u>9,665</u>	<u>4,314,129</u>
<u>9,665</u>	<u>9,595,569</u>
-	241,292
-	1,146,868
-	819,336
-	81,145
-	230,945
-	87,393
-	7,082
-	1,036,258
-	9,576
9,665	668,757
-	5,035,655
-	765,007
-	16,548
<u>9,665</u>	<u>10,145,862</u>
<u>-</u>	<u>(550,293)</u>
<u>-</u>	<u>1,604</u>
<u>-</u>	<u>1,604</u>
-	(548,689)
<u>-</u>	<u>4,604,445</u>
<u>\$ -</u>	<u>\$ 4,055,756</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, 2017

	<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	\$ 4,377,104	\$ 4,377,104	\$ 4,741,551	\$ 364,447
Total Expenditures and Other Uses	<u>4,488,557</u>	<u>4,935,216</u>	<u>4,871,142</u>	<u>64,074</u>
Net Change in Fund Balances	(111,453)	(558,112)	(129,591)	428,521
Fund Balance at Beginning of Year	1,643,563	1,643,563	1,643,563	-
Prior Year Encumbrances Appropriated	<u>151,210</u>	<u>151,210</u>	<u>151,210</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,683,320</u>	<u>\$ 1,236,661</u>	<u>\$ 1,665,182</u>	<u>\$ 428,521</u>
<b>School Trusts</b>				
Total Revenues and Other Sources	\$ 36,355	\$ 41,755	\$ 30,067	\$ (11,688)
Total Expenditures and Other Uses	<u>42,600</u>	<u>48,642</u>	<u>26,431</u>	<u>22,211</u>
Net Change in Fund Balances	(6,245)	(6,887)	3,636	10,523
Fund Balance at Beginning of Year	<u>14,500</u>	<u>14,500</u>	<u>14,500</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,255</u>	<u>\$ 7,613</u>	<u>\$ 18,136</u>	<u>\$ 10,523</u>
<b>Facilities Maintenance</b>				
Total Revenues and Other Sources	\$ 866,777	\$ 866,777	\$ 659,571	\$ (207,206)
Total Expenditures and Other Uses	<u>1,297,941</u>	<u>1,677,941</u>	<u>1,533,976</u>	<u>143,965</u>
Net Change in Fund Balances	(431,164)	(811,164)	(874,405)	(63,241)
Fund Balance at Beginning of Year	2,295,518	2,295,518	2,295,518	-
Prior Year Encumbrances Appropriated	<u>365,581</u>	<u>365,581</u>	<u>365,581</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,229,935</u>	<u>\$ 1,849,935</u>	<u>\$ 1,786,694</u>	<u>\$ (63,241)</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, 2017

	<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	\$ 589,065	\$ 632,665	\$ 789,424	\$ 156,759
Total Expenditures and Other Uses	<u>679,412</u>	<u>872,040</u>	<u>853,779</u>	<u>18,261</u>
Net Change in Fund Balances	(90,347)	(239,375)	(64,355)	175,020
Fund Balance at Beginning of Year	329,138	329,138	329,138	-
Prior Year Encumbrances Appropriated	<u>94,124</u>	<u>94,124</u>	<u>94,124</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 332,915</u>	<u>\$ 183,887</u>	<u>\$ 358,907</u>	<u>\$ 175,020</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, 2017

	<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	\$ 525,000	\$ 525,000	\$ 564,456	\$ 39,456
Total Expenditures and Other Uses	<u>525,000</u>	<u>644,602</u>	<u>644,910</u>	<u>(308)</u>
Net Change in Fund Balances	-	(119,602)	(80,454)	39,148
Fund Balance at Beginning of Year	<u>228,911</u>	<u>228,911</u>	<u>228,911</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 228,911</u>	<u>\$ 109,309</u>	<u>\$ 148,457</u>	<u>\$ 39,148</u>
<b>Straight A</b>				
Total Revenues and Other Sources	\$ 11,580	\$ 14,015	\$ 14,015	\$ -
Total Expenditures and Other Uses	<u>11,580</u>	<u>14,015</u>	<u>14,015</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance (Deficit) at Beginning of Year	(14,015)	(14,015)	(14,015)	-
Prior Year Encumbrances Appropriated	<u>14,015</u>	<u>14,015</u>	<u>14,015</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Miscellaneous State Grants</b>				
Total Revenues and Other Sources	\$ 27,288	\$ 27,288	\$ 25,677	\$ (1,611)
Total Expenditures and Other Uses	<u>27,288</u>	<u>27,288</u>	<u>27,289</u>	<u>(1)</u>
Net Change in Fund Balances	-	-	(1,612)	(1,612)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (1,611)</u>	<u>\$ (1,612)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>IDEA Part B</b>				
Total Revenues and Other Sources	\$ 1,748,521	\$ 1,748,521	\$ 1,354,923	\$ (393,598)
Total Expenditures and Other Uses	<u>1,540,059</u>	<u>1,595,924</u>	<u>1,562,017</u>	<u>33,907</u>
Net Change in Fund Balances	208,462	152,597	(207,094)	(359,691)
Fund Balance (Deficit) at Beginning of Year	(2,733)	(2,733)	(2,733)	-
Prior Year Encumbrances Appropriated	<u>1,345</u>	<u>1,345</u>	<u>1,345</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 207,074</u>	<u>\$ 151,209</u>	<u>\$ (208,482)</u>	<u>\$ (359,691)</u>
<b>Title III</b>				
Total Revenues and Other Sources	\$ 108,068	\$ 108,068	\$ 82,068	\$ (26,000)
Total Expenditures and Other Uses	<u>73,757</u>	<u>100,331</u>	<u>93,371</u>	<u>6,960</u>
Net Change in Fund Balances	34,311	7,737	(11,303)	(19,040)
Fund Balance (Deficit) at Beginning of Year	(6,990)	(6,990)	(6,990)	-
Prior Year Encumbrances Appropriated	<u>7,064</u>	<u>7,064</u>	<u>7,064</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 34,385</u>	<u>\$ 7,811</u>	<u>\$ (11,229)</u>	<u>\$ (19,040)</u>
<b>Title I</b>				
Total Revenues and Other Sources	\$ 1,063,974	\$ 1,063,974	\$ 775,484	\$ (288,490)
Total Expenditures and Other Uses	<u>960,194</u>	<u>850,879</u>	<u>838,711</u>	<u>12,168</u>
Net Change in Fund Balances	103,780	213,095	(63,227)	(276,322)
Fund Balance (Deficit) at Beginning of Year	(900)	(900)	(900)	-
Prior Year Encumbrances Appropriated	<u>783</u>	<u>783</u>	<u>783</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 103,663</u>	<u>\$ 212,978</u>	<u>\$ (63,344)</u>	<u>\$ (276,322)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>IDEA Preschool Grant</b>				
Total Revenues and Other Sources	\$ 17,496	\$ 17,496	\$ 17,496	\$ -
Total Expenditures and Other Uses	<u>17,496</u>	<u>17,496</u>	<u>17,496</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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Improving Teacher Quality</b>				
Total Revenues and Other Sources	\$ 155,549	\$ 155,549	\$ 92,685	\$ (62,864)
Total Expenditures and Other Uses	<u>107,496</u>	<u>154,738</u>	<u>128,240</u>	<u>26,498</u>
Net Change in Fund Balances	48,053	811	(35,555)	(36,366)
Fund Balance (Deficit) at Beginning of Year	(9,153)	(9,153)	(9,153)	-
Prior Year Encumbrances Appropriated	<u>9,093</u>	<u>9,093</u>	<u>9,093</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 47,993</u></u>	<u><u>\$ 751</u></u>	<u><u>\$ (35,615)</u></u>	<u><u>\$ (36,366)</u></u>
<b>Miscellaneous Federal Grant</b>				
Total Revenues and Other Sources	\$ -	\$ 10,500	\$ 9,665	\$ (835)
Total Expenditures and Other Uses	<u>-</u>	<u>10,500</u>	<u>9,665</u>	<u>835</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>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$ 550,000	\$ 550,000	\$ 438,753	\$ (111,247)
Total Expenditures and Other Uses	<u>566,168</u>	<u>611,088</u>	<u>402,609</u>	<u>208,479</u>
Net Change in Fund Balances	(16,168)	(61,088)	36,144	97,232
Fund Balance at Beginning of Year	55,434	55,434	55,434	-
Prior Year Encumbrances Appropriated	<u>14,707</u>	<u>14,707</u>	<u>14,707</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 53,973</u>	<u>\$ 9,053</u>	<u>\$ 106,285</u>	<u>\$ 97,232</u>
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 231,786	\$ 247,306	\$ 246,003	\$ (1,303)
Total Expenditures and Other Uses	<u>220,799</u>	<u>406,344</u>	<u>353,613</u>	<u>52,731</u>
Net Change in Fund Balances	10,987	(159,038)	(107,610)	51,428
Fund Balance at Beginning of Year	182,004	182,004	182,004	-
Prior Year Encumbrances Appropriated	<u>78,933</u>	<u>78,933</u>	<u>78,933</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 271,924</u>	<u>\$ 101,899</u>	<u>\$ 153,327</u>	<u>\$ 51,428</u>
<b>Other Local Grants</b>				
Total Revenues and Other Sources	\$ 863,219	\$ 1,043,219	\$ 1,042,087	\$ (1,132)
Total Expenditures and Other Uses	<u>317,814</u>	<u>1,088,040</u>	<u>1,088,040</u>	<u>-</u>
Net Change in Fund Balances	545,405	(44,821)	(45,953)	(1,132)
Fund Balance at Beginning of Year	475,445	475,445	475,445	-
Prior Year Encumbrances Appropriated	<u>18,785</u>	<u>18,785</u>	<u>18,785</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,039,635</u>	<u>\$ 449,409</u>	<u>\$ 448,277</u>	<u>\$ (1,132)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Termination Benefits</b>				
Total Expenditures and Other Uses	\$ 500,000	\$ 500,000	\$ 269,373	\$ 230,627
Net Change in Fund Balances	(500,000)	(500,000)	(269,373)	230,627
Fund Balance at Beginning of Year	<u>2,893,219</u>	<u>2,893,219</u>	<u>2,893,219</u>	\$ -
Fund Balance at End of Year	<u>\$ 2,393,219</u>	<u>\$ 2,393,219</u>	<u>\$ 2,623,846</u>	<u>\$ 230,627</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, 2017

	<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 Expenditures and Other Uses	\$ 116,500	\$ 156,388	\$ 156,390	\$ (2)
Net Change in Fund Balances	(116,500)	(156,388)	(156,390)	(2)
Fund Balance at Beginning of Year	156,390	156,390	156,390	-
Fund Balance at End of Year	<u>\$ 39,890</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (2)</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, 2017

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 2,928,189	\$ 128,067	\$ 3,056,256
Cash in segregated accounts. . . . .	-	114,669	114,669
Total assets. . . . .	<u>\$ 2,928,189</u>	<u>\$ 242,736</u>	<u>\$ 3,170,925</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 52,778	\$ 3,980	\$ 56,758
Contracts payable. . . . .	232,060	-	232,060
Retainage payable . . . . .	-	114,669	114,669
Total liabilities. . . . .	284,838	118,649	403,487
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	2,643,351	124,087	2,767,438
Total fund balances. . . . .	2,643,351	124,087	2,767,438
Total liabilities and fund balances . . . . .	<u>\$ 2,928,189</u>	<u>\$ 242,736</u>	<u>\$ 3,170,925</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, 2017

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>			
From local sources:			
Earnings on investments. . . . .	\$ 120	\$ -	\$ 120
Rental income. . . . .	39,168	-	39,168
Other local revenues . . . . .	5,661	-	5,661
Intergovernmental - federal . . . . .	263,168	-	263,168
Total revenues . . . . .	<u>308,117</u>	<u>-</u>	<u>308,117</u>
<b>Expenditures:</b>			
Facilities acquisition and construction . . . . .	<u>1,317,799</u>	<u>803,908</u>	<u>2,121,707</u>
Total expenditures. . . . .	<u>1,317,799</u>	<u>803,908</u>	<u>2,121,707</u>
Excess of expenditures over revenues . . . . .	<u>(1,009,682)</u>	<u>(803,908)</u>	<u>(1,813,590)</u>
<b>Other financing sources:</b>			
Transfers in. . . . .	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Total other financing sources. . . . .	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Net change in fund balances. . . . .	(259,682)	(803,908)	(1,063,590)
<b>Fund balances at beginning of year. . . . .</b>	<u>2,903,033</u>	<u>927,995</u>	<u>3,831,028</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,643,351</u>	<u>\$ 124,087</u>	<u>\$ 2,767,438</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, 2017

	<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	\$ 750,000	\$ 750,000	\$ 1,058,192	\$ 308,192
Total Expenditures and Other Uses	<u>1,315,341</u>	<u>1,562,677</u>	<u>1,559,190</u>	<u>3,487</u>
Net Change in Fund Balances	(565,341)	(812,677)	(500,998)	311,679
Fund Balance at Beginning of Year	2,350,752	2,350,752	2,350,752	-
Prior Year Encumbrances Appropriated	<u>565,341</u>	<u>565,341</u>	<u>565,341</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,350,752</u>	<u>\$ 2,103,416</u>	<u>\$ 2,415,095</u>	<u>\$ 311,679</u>
<b>Building</b>				
Total Expenditures and Other Uses	<u>\$ 931,631</u>	<u>\$ 931,631</u>	<u>\$ 888,734</u>	<u>\$ 42,897</u>
Net Change in Fund Balances	(931,631)	(931,631)	(888,734)	42,897
Fund Balance at Beginning of Year	80,430	80,430	80,430	-
Prior Year Encumbrances Appropriated	<u>851,201</u>	<u>851,201</u>	<u>851,201</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,897</u>	<u>\$ 42,897</u>

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

**Proprietary Funds**

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

**Self Insurance**

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

**Worker's Compensation**

employees.

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

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . .	\$ 6,537,754	\$ 307,445	\$ 6,845,199
Receivables:			
Intergovernmental. . . . .	-	226,112	226,112
Total assets . . . . .	6,537,754	533,557	7,071,311
<b>Liabilities:</b>			
Claims payable . . . . .	\$ 1,310,100	\$ -	\$ 1,310,100
Total liabilities . . . . .	1,310,100	-	1,310,100
<b>Net Position:</b>			
Unrestricted . . . . .	5,227,654	533,557	5,761,211
Total net position . . . . .	\$ 5,227,654	\$ 533,557	\$ 5,761,211

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

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Operating revenues:</b>			
Charges for services . . . . .	\$ 13,943,460	\$ 325,000	\$ 14,268,460
Other. . . . .	-	226,112	226,112
Total operating revenues. . . . .	13,943,460	551,112	14,494,572
<b>Operating expenses:</b>			
Purchased services . . . . .	-	8,500	8,500
Claims. . . . .	14,683,824	9,055	14,692,879
Total operating expenses. . . . .	14,683,824	17,555	14,701,379
Change in net position. . . . .	(740,364)	533,557	(206,807)
<b>Net position at beginning of year. . . . .</b>	5,968,018	-	5,968,018
<b>Net position at end of year. . . . .</b>	\$ 5,227,654	\$ 533,557	\$ 5,761,211

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

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Self Insurance</b>	<b>Worker's Compensation</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from charges for services. . . . .	\$ 13,943,460	\$ -	\$ 13,943,460
Cash received from other revenue . . . . .	-	325,000	325,000
Cash payments for contractual services . . . . .	-	(8,500)	(8,500)
Cash payments for claims. . . . .	(14,315,824)	(9,055)	(14,324,879)
	(372,364)	307,445	(64,919)
Net cash provided by (used in) operating activities. . .	(372,364)	307,445	(64,919)
Net increase (decrease) in cash and cash equivalents. . .	(372,364)	307,445	(64,919)
<b>Cash and cash equivalents at beginning of year . . . .</b>	<b>6,910,118</b>	<b>-</b>	<b>6,910,118</b>
<b>Cash and cash equivalents at end of year. . . . .</b>	<b>\$ 6,537,754</b>	<b>\$ 307,445</b>	<b>\$ 6,845,199</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss) . . . . .	\$ (740,364)	\$ 533,557	\$ (206,807)
Changes in assets and liabilities:			
(Increase) in intergovernmental receivable . . . . .	-	(226,112)	(226,112)
Increase in claims payable. . . . .	368,000	-	368,000
	(372,364)	307,445	(64,919)
Net cash provided by (used in) operating activities . .	\$ (372,364)	\$ 307,445	\$ (64,919)

**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, 2017

	<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	\$ 14,842,350	\$ 14,842,350	\$ 13,951,582	\$ (890,768)
Total Expenditures and Other Uses	<u>14,000,000</u>	<u>14,600,000</u>	<u>14,323,946</u>	<u>276,054</u>
Net Change in Fund Balances	842,350	242,350	(372,364)	(614,714)
Fund Balance at Beginning of Year	<u>6,910,118</u>	<u>6,910,118</u>	<u>6,910,118</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,752,468</u>	<u>\$ 7,152,468</u>	<u>\$ 6,537,754</u>	<u>\$ (614,714)</u>
<b>Worker's Compensation</b>				
Total Revenues and Other Sources	\$ -	\$ 325,000	\$ 325,000	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>325,000</u>	<u>17,555</u>	<u>307,445</u>
Net Change in Fund Balances	-	-	307,445	307,445
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>\$ 307,445</u>	<u>\$ 307,445</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, 2017

	<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	\$ 2,000	\$ 2,000	\$ 1,025	\$ (975)
Total Expenditures and Other Uses	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net Change in Fund Balances	(500)	(500)	1,025	1,525
Fund Balance at Beginning of Year	<u>4,125</u>	<u>4,125</u>	<u>4,125</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,625</u>	<u>\$ 3,625</u>	<u>\$ 5,150</u>	<u>\$ 1,525</u>

**PICKERINGTON LOCAL SCHOOLS  
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Beginning Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance July 1, 2017</u>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 83,344	\$ 192,663	\$ 185,983	\$ 90,024
Receivables				
Accounts . . . . .	-	12,077	-	12,077
Intergovernmental. . . . .	-	40,925	-	40,925
Total assets . . . . .	<u>\$ 83,344</u>	<u>\$ 245,665</u>	<u>\$ 185,983</u>	<u>\$ 143,026</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 56,949	\$ 66,821	\$ 56,949	\$ 66,821
Pension obligation payable. . . . .	-	127	-	127
Accrued wages and benefits . . . . .	98	-	98	-
Intergovernmental payable . . . . .	-	2,375	-	2,375
Deposits held and due to others. . . . .	26,297	176,342	128,936	73,703
Total liabilities . . . . .	<u>\$ 83,344</u>	<u>\$ 245,665</u>	<u>\$ 185,983</u>	<u>\$ 143,026</u>
<b>Student Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 157,476	\$ 266,832	\$ 242,160	\$ 182,148
Total assets . . . . .	<u>\$ 157,476</u>	<u>\$ 266,832</u>	<u>\$ 242,160</u>	<u>\$ 182,148</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 4,068	\$ 2,344	\$ 4,068	\$ 2,344
Due to students . . . . .	153,408	264,488	238,092	179,804
Total liabilities. . . . .	<u>\$ 157,476</u>	<u>\$ 266,832</u>	<u>\$ 242,160</u>	<u>\$ 182,148</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 240,820	\$ 459,495	\$ 428,143	\$ 272,172
Receivables				
Accounts . . . . .	-	12,077	-	12,077
Intergovernmental. . . . .	-	40,925	-	40,925
Total assets . . . . .	<u>\$ 240,820</u>	<u>\$ 512,497</u>	<u>\$ 428,143</u>	<u>\$ 325,174</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 61,017	\$ 69,165	\$ 61,017	\$ 69,165
Pension obligation payable. . . . .	-	127	-	127
Accrued wages and benefits . . . . .	98	-	98	-
Intergovernmental payable. . . . .	-	2,375	-	2,375
Deposits held and due to others . . . . .	26,297	176,342	128,936	73,703
Due to students . . . . .	153,408	264,488	238,092	179,804
Total liabilities. . . . .	<u>\$ 240,820</u>	<u>\$ 512,497</u>	<u>\$ 428,143</u>	<u>\$ 325,174</u>

## 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014 (3)</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 49,887,240	\$ 48,368,374	\$ 47,937,548	\$ 49,003,234
Restricted	9,768,036	12,874,772	12,892,373	13,471,914
Unrestricted (deficit)	<u>(120,551,955)</u>	<u>(114,284,072)</u>	<u>(123,921,792)</u>	<u>(133,083,954)</u>
Total governmental activities net position	<u>\$ (60,896,679)</u>	<u>\$ (53,040,926)</u>	<u>\$ (63,091,871)</u>	<u>\$ (70,608,806)</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.

<u>2013</u>	<u>2012 (2)</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 50,969,833	\$ 49,036,160	\$ 26,012,261	\$ 8,748,029	\$ 8,765,183	\$ 7,887,455
14,188,211	15,100,633	42,658,687	79,798,417	78,804,109	23,739,089
14,377,478	6,287,194	1,238,352	(16,176,349)	(5,250,879)	(4,668,772)
<u>\$ 79,535,522</u>	<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>

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

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

<b>Expenses</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:				
Instruction:				
Regular	\$ 60,903,934	\$ 50,113,119	\$ 52,583,534	\$ 54,421,633
Special	18,673,608	15,406,568	14,636,818	13,059,009
Vocational	601,392	575,131	374,565	413,924
Other instructional	4,417,552	3,505,283	3,352,317	3,833,072
Support services:				
Pupil	7,871,413	6,493,988	6,330,512	6,284,145
Instructional staff	5,857,404	5,831,566	6,114,863	5,024,779
Board of education	702,080	679,391	811,526	670,829
Administration	9,126,746	8,105,447	7,614,934	7,957,351
Fiscal	2,241,987	2,079,635	2,019,426	1,988,705
Business	440,428	546,554	415,695	399,604
Operations and maintenance	12,430,706	11,285,198	11,069,229	10,989,488
Pupil transportation	6,881,121	6,046,787	5,848,200	5,811,014
Central	1,180,050	664,189	653,365	65,492
Operation of non-instructional services:				
Other non-instructional services	856,439	573,252	703,955	628,776
Food service operations	5,996,942	5,258,365	4,973,348	5,067,549
Extracurricular activities	3,108,863	2,562,454	2,498,975	2,576,374
Interest and fiscal charges	4,761,166	5,973,498	6,233,371	6,822,724
Total governmental activities expenses	<u>146,051,831</u>	<u>125,700,425</u>	<u>126,234,633</u>	<u>126,014,468</u>



	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$	48,191,201	\$ 47,965,763	\$ 53,303,768	\$ 55,599,841	\$ 49,069,735	\$ 47,880,000
	8,872,090	8,396,846	9,164,454	8,960,949	7,847,020	7,249,632
	332,180	438,906	1,039,530	1,114,525	1,115,837	1,098,881
	3,852,328	3,417,335	2,973,424	3,055,912	2,824,261	2,413,847
	5,481,281	4,903,756	5,389,487	5,150,296	4,669,725	4,422,909
	6,283,346	5,487,355	7,518,291	7,571,863	6,755,547	5,837,143
	509,010	528,244	716,717	575,199	528,045	522,851
	7,878,590	8,099,300	8,301,524	8,822,490	7,916,045	7,476,862
	1,928,272	1,854,338	1,867,031	1,744,987	1,718,035	1,789,425
	552,441	540,477	509,414	578,191	624,827	44,051
	10,547,461	10,440,229	9,890,158	9,740,418	9,375,277	9,267,414
	5,335,857	5,556,206	5,621,125	5,966,014	5,034,148	5,701,343
	85,766	157,325	175,403	171,148	176,045	162,150
	444,275	48,703	54,984	73,232	72,379	65,316
	4,795,927	4,480,977	4,773,849	4,379,685	4,134,640	3,635,100
	2,435,911	2,219,007	2,777,341	3,135,454	2,799,921	2,772,116
	7,277,760	7,142,096	8,865,592	8,540,803	8,870,980	8,899,230
	<u>114,803,696</u>	<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>

-- (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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 676,650	\$ 294,156	\$ 413,703	\$ 319,741
Special	200,192	227,711	137,823	146,445
Vocational	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Instructional staff	-	-	-	-
Administration	742	632	597	-
Operations and maintenance	310,081	308,347	360,333	351,608
Pupil transportation	-	-	222	-
Operation of non-instructional services:				
Other non-instructional services	713,773	574,057	558,214	515,010
Food service operations	2,985,243	2,834,919	2,701,769	2,708,492
Extracurricular activities	1,434,767	1,689,963	1,822,574	1,741,297
Operating grants and contributions:				
Instruction:				
Regular	224,680	1,008,051	2,326,850	1,971,431
Special	7,105,068	6,946,821	6,960,937	6,304,235
Vocational	559,923	43,705	292,581	108,287
Other instructional	802,537	202,665	-	-
Support services:				
Pupil	81,981	126,920	199,543	177,561
Instructional staff	232,766	336,166	753,901	167,773
Board of education	-	-	-	-
Administration	88,985	78,028	95,262	70,823
Fiscal	-	-	-	-
Operations and maintenance	4,312	3,274	9,504	88
Pupil transportation	384,418	384,176	320,815	297,878
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	35,350	16,000	9,571	6,464
Food service operations	2,028,511	1,997,622	1,691,075	1,608,529
Extracurricular activities	124,642	84,757	83,911	54,240
Capital grants and contributions:				
Support services:				
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>17,994,621</u>	<u>17,157,970</u>	<u>18,739,185</u>	<u>16,549,902</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (128,057,210)</u>	<u>\$ (108,542,455)</u>	<u>\$ (107,495,448)</u>	<u>\$ (109,464,566)</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 396,667	\$ 400,762	\$ 591,367	\$ 860,381	\$ 901,498	\$ 801,384
332,353	110,326	119,792	106,344	108,657	91,572
-	-	-	-	139	187
-	-	-	10,697	5,022	6,031
-	-	-	31,957	15,959	89,088
-	-	334	-	885	282
413,452	238,207	215,484	54,363	-	82,536
-	-	-	-	91,567	-
426,313	-	-	63,026	-	75,782
2,599,874	2,602,529	2,699,934	2,625,572	2,568,292	2,458,391
1,754,879	1,792,450	1,167,595	1,116,425	1,200,698	972,586
1,206,510	1,035,249	5,574,084	2,564,164	542,764	591,395
3,260,158	3,610,517	4,232,299	2,120,356	3,943,115	3,219,492
161,459	258,492	161,459	160,257	164,317	147,101
-	-	110,711	78,617	6,514	-
280,821	156,673	906,355	664,504	607,168	513,983
699,679	529,648	771,985	980,809	575,271	403,977
-	5,993	-	-	-	-
104,550	143,298	196,426	192,050	167,290	116,717
-	11,070	-	-	-	32,306
-	-	924	4,600	21,308	1,075
289,399	244,477	231,061	232,614	221,562	200,395
-	13,722	1,047	-	1,690	3,134
22,334	12,096	8,090	23,636	51,795	8,660
1,731,032	1,267,175	1,462,317	1,188,141	1,011,157	900,180
144,887	58,518	42,975	208,391	163,631	159,950
-	-	-	-	82,369	44,517
<u>13,824,367</u>	<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>\$ (100,979,329)</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>

-- (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**

Governmental activities:	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Property taxes levied for:				
General purposes	\$ 36,471,808	\$ 36,106,097	\$ 34,979,215	\$ 35,414,027
Debt service	11,319,892	11,521,302	11,887,612	12,455,646
Facility maintenance	407,164	406,199	393,402	396,949
School district income tax	16,996,461	16,422,435	15,672,186	15,270,666
Grants and entitlements not restricted to specific programs	54,303,696	53,389,530	51,554,417	46,905,607
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	-
Payment in lieu of taxes	156,682	125,137	139,767	125,277
Investment earnings	438,626	400,335	202,166	107,548
Miscellaneous	107,128	222,365	183,618	219,299
Total governmental activities	<u>120,201,457</u>	<u>118,593,400</u>	<u>115,012,383</u>	<u>110,895,019</u>
<b>Change in Net Position</b>				
Governmental activities	<u><u>\$ (7,855,753)</u></u>	<u><u>\$ 10,050,945</u></u>	<u><u>\$ 7,516,935</u></u>	<u><u>\$ 1,430,453</u></u>

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

Source: School District financial records.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 35,135,446	\$ 29,651,216	\$ 28,516,543	\$ 27,409,960	\$ 28,346,890	\$ 27,592,489
13,164,444	12,190,336	13,419,079	12,690,376	13,086,748	13,032,040
390,768	350,108	376,312	359,894	370,320	367,422
14,590,961	14,182,466	13,646,693	12,328,783	12,707,691	12,722,150
46,307,569	45,157,451	44,587,183	48,622,410	47,962,247	44,083,762
-	-	-	-	52,387,820	-
250,434	152,625	231,511	93,764	93,577	-
109,951	91,970	206,830	311,036	1,438,880	3,798,530
141,291	142,219	104,079	129,564	46,267	378,571
<u>110,090,864</u>	<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>\$ 9,111,535</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>

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:				
Nonspendable	\$ 91,995	\$ 78,975	\$ -	\$ 118,500
Restricted	-	-	-	-
Committed	2,485,880	2,893,219	2,963,215	3,624,257
Assigned	5,218,714	5,322,251	3,222,726	1,822,635
Unassigned	25,721,481	22,321,594	17,481,887	16,572,130
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 33,518,070</u>	<u>\$ 30,616,039</u>	<u>\$ 23,667,828</u>	<u>\$ 22,137,522</u>
All Other Governmental Funds:				
Nonspendable	\$ 17,289	\$ 17,123	\$ 13,514	\$ 64,316
Restricted	19,250,411	23,676,088	23,771,959	24,643,125
Unassigned (deficit)	(364,493)	(142,138)	(246,540)	(679,630)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>18,903,207</u>	<u>23,551,073</u>	<u>23,538,933</u>	<u>24,027,811</u>
Total governmental funds	<u>\$ 52,421,277</u>	<u>\$ 54,167,112</u>	<u>\$ 47,206,761</u>	<u>\$ 46,165,333</u>

**Source:** School District financial records.

**Note:** The School District implemented GASB 54 in 2011.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 107,625	\$ 108,010	\$ 108,045	\$ -	\$ -	\$ -
22,684	22,684	22,684	-	-	-
2,210,191	300,000	300,000	-	-	-
2,550,378	2,050,500	2,641,294	-	-	-
11,395,873	6,265,808	110,176	-	-	-
-	-	-	3,727,023	4,482,583	4,040,380
-	-	-	2,458,979	7,991,343	7,584,023
<u>\$ 16,286,751</u>	<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>
\$ 39,850	\$ 58,429	\$ 38,990	\$ -	\$ -	\$ -
27,473,193	31,574,010	40,828,063	-	-	-
(244,534)	(76,568)	(204,867)	-	-	-
-	-	-	21,517,418	22,637,462	48,142,449
-	-	-	5,820,541	4,817,266	4,909,347
-	-	-	10,962,492	5,153,568	12,362,602
<u>27,268,509</u>	<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>\$ 43,555,260</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>

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 48,381,695	\$ 48,311,351	\$ 47,765,095	\$ 48,582,958
Income taxes	16,948,460	16,389,847	15,672,186	15,188,075
Payment in lieu of taxes	156,682	125,137	139,767	125,277
Tuition	438,038	521,867	551,526	466,186
Earnings on investments	420,627	385,481	185,133	111,370
Charges for services	2,985,259	2,834,919	2,716,953	2,708,492
Extracurricular	1,457,508	1,279,098	1,261,700	1,274,825
Classroom materials and fees	438,804	430,256	561,693	466,472
Rental income	288,066	289,588	345,149	351,608
Contributions and donations	144,396	109,640	129,055	109,366
Contract services	713,773	574,057	558,214	515,010
Other local revenues	250,759	645,349	323,177	299,273
Intergovernmental - state	60,515,668	59,029,977	60,108,748	52,762,757
Intergovernmental - federal	4,950,074	5,492,170	4,328,297	4,406,656
Total revenues	<u>138,089,809</u>	<u>136,418,737</u>	<u>134,646,693</u>	<u>127,368,325</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	48,747,174	45,695,863	48,293,659	45,750,261
Special	16,676,017	15,618,619	15,066,535	12,356,400
Vocational	529,683	545,041	382,690	411,316
Other	4,219,988	3,504,538	3,346,363	3,721,804
Current:				
Pupil	6,965,065	6,482,670	6,386,634	5,969,392
Instructional staff	5,030,809	5,510,701	5,925,934	4,473,080
Board of education	684,374	679,617	809,811	651,376
Administration	8,036,957	8,096,425	7,740,925	7,530,249
Fiscal	2,119,241	2,079,279	2,000,231	1,925,144
Business	382,902	548,354	410,323	390,550
Operations and maintenance	11,265,721	10,804,094	10,600,602	10,202,628
Pupil transportation	6,487,396	5,890,346	5,709,630	5,499,852
Central	1,056,187	690,051	636,445	63,593
Operation of non-instructional services:				
Other non-instructional services	780,876	676,954	693,780	610,543
Food service operations	5,035,655	4,590,200	4,266,390	4,163,019
Extracurricular activities	2,716,012	2,432,250	2,363,041	2,350,863
Facilities acquisitions and construction	2,216,443	1,369,456	2,020,178	3,437,010
Capital outlay	2,771,341	174,356	1,520,417	1,669,919
Debt service:				
Principal retirement	7,393,429	9,843,366	8,842,905	10,185,887
Interest and fiscal charges	2,977,554	4,400,562	5,419,681	5,065,285
Bond issuance costs	474,553	145,182	320,256	-
Accretion on capital appreciation bonds	2,836,200	-	-	-
Total expenditures	<u>139,403,577</u>	<u>129,777,924</u>	<u>132,756,430</u>	<u>126,428,171</u>
Excess (deficiency) of revenues over (under) expenditures	(1,313,768)	6,640,813	1,890,263	940,154



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 48,507,280	\$ 42,782,880	\$ 41,258,734	\$ 41,103,153	\$ 41,292,565	\$ 41,374,565
14,596,621	14,139,974	13,600,552	12,328,783	12,707,691	12,722,150
250,434	152,625	231,511	93,764	-	-
691,700	511,088	393,460	431,780	462,861	502,651
110,194	121,009	195,227	379,180	1,549,097	4,248,136
2,599,874	2,602,529	2,699,934	2,625,572	2,568,292	2,458,391
1,368,600	1,319,523	1,084,725	1,015,191	987,737	990,206
386,279	472,927	436,836	498,254	479,304	471,680
413,452	238,207	207,801	212,066	392,681	28,800
88,835	74,891	44,207	115,477	109,700	-
463,633	394,464	-	-	51,244	-
309,260	277,265	211,260	315,056	228,291	682,034
49,940,626	66,401,300	69,553,463	59,931,199	51,990,846	47,605,837
4,110,319	6,491,029	8,288,504	7,685,262	3,236,286	3,088,903
<b>123,837,107</b>	<b>135,979,711</b>	<b>138,206,214</b>	<b>126,734,737</b>	<b>116,056,595</b>	<b>114,173,353</b>
42,339,621	43,181,514	46,784,345	46,539,027	45,788,488	44,385,494
8,538,566	8,155,136	8,878,709	8,774,522	7,672,561	7,085,188
308,389	418,464	1,061,573	1,080,428	1,099,164	1,107,582
3,833,367	3,410,655	2,966,744	3,049,232	2,817,581	2,404,790
5,265,106	4,787,908	5,217,514	4,976,200	4,467,457	4,323,183
5,818,828	5,102,064	7,130,627	7,416,364	6,481,033	5,602,688
506,489	522,884	711,357	569,839	522,685	517,491
7,656,407	7,954,131	8,240,838	8,668,252	7,899,344	7,548,391
1,926,529	1,854,292	1,865,065	1,736,225	1,721,471	1,798,451
546,366	535,674	502,468	572,732	618,494	85,315
10,084,344	9,991,213	9,648,741	9,340,562	8,764,331	8,316,116
5,130,192	5,385,979	5,445,342	6,247,484	4,979,336	5,516,101
85,341	165,403	175,442	165,243	171,022	162,150
442,074	48,703	54,984	73,232	72,379	65,316
4,003,238	3,839,705	4,180,731	3,989,268	3,621,376	3,256,499
2,263,488	2,053,384	2,585,584	2,975,439	2,631,807	2,612,138
6,652,260	27,039,867	18,928,748	6,838,942	34,760,364	16,959,574
925,275	-	-	-	-	-
10,000,103	9,770,591	9,030,543	8,532,187	7,962,219	7,445,000
5,184,012	5,303,656	5,438,927	5,742,451	5,928,532	6,077,208
-	-	-	-	-	-
-	-	-	-	-	-
<b>121,509,995</b>	<b>139,521,223</b>	<b>138,848,282</b>	<b>127,287,629</b>	<b>147,979,644</b>	<b>125,268,675</b>
2,327,112	(3,541,512)	(642,068)	(552,892)	(31,923,049)	(11,095,322)

-- (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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 791,388	\$ 750,000	\$ 2,175,706	\$ 1,000,000
Transfers (out)	(791,388)	(750,000)	(4,188,219)	(1,000,000)
Premium on refunding bonds	960,919	1,176,960	3,339,125	-
Sale of capital assets	1,633	-	-	-
Issuance of refunding bonds	57,755,000	8,805,000	27,875,000	-
Payment to refunding bond escrow agent	(61,920,960)	(9,836,778)	(31,570,864)	-
Lease purchase transaction	2,771,341	174,356	1,520,417	1,669,919
Total other financing sources (uses)	<u>(432,067)</u>	<u>319,538</u>	<u>(848,835)</u>	<u>1,669,919</u>
Net change in fund balances	<u>\$ (1,745,835)</u>	<u>\$ 6,960,351</u>	<u>\$ 1,041,428</u>	<u>\$ 2,610,073</u>
Capital expenditures	\$ 605,553	\$ 727,746	\$ 1,741,107	\$ 269,320
Debt service as a percentage of noncapital expenditures	7.47%	11.04%	10.89%	12.09%

**Source:** School District financial records.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 1,397,457	\$ 1,100,000	\$ -	\$ 2,000,000	\$ -	\$ -
(1,397,457)	(1,100,000)	-	(2,000,000)	-	-
-	-	-	-	-	-
-	-	-	-	162	-
-	-	-	-	-	-
-	-	-	-	-	-
925,275	-	-	-	-	-
<u>925,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>	<u>-</u>
<u>\$ 3,252,387</u>	<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>	<u>\$ (552,892)</u>	<u>\$ (31,922,887)</u>	<u>\$ (11,095,322)</u>
\$ 7,086,162	\$ 26,855,794	\$ 17,295,601	\$ 3,787,618	\$ 34,603,839	\$ 16,471,688
13.27%	13.38%	11.90%	11.56%	12.25%	12.43%

**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
2016	\$ 1,194,140,970	\$ 3,411,831,343	\$ -	\$ -	\$ 21,581,640	\$ 86,326,560
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

**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>	
\$ 83.20	\$ 1,215,722,610	\$ 3,498,157,903	34.75%	
83.60	1,141,989,240	3,286,922,903	34.74%	
84.70	1,115,810,090	3,210,091,080	34.76%	
84.70	1,103,805,220	3,175,181,554	34.76%	
85.40	1,129,219,420	3,247,034,080	34.78%	
85.90	1,113,267,110	3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	
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%	

**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		
2016/2017	18.47	10.40	7.80	0.70	2.90	67.70	10.50	0.50	-	4.50	83.20
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

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	19.35	16.15	14.47	0.75	2.00	2016/2017
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

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

PRINCIPAL PROPERTY TAX PAYERS  
DECEMBER 31, 2016 AND DECEMBER 31, 2007

<b>December 31, 2016</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
South Central Power Company	\$ 7,176,970	1	0.59%
Creekside Acquisition	6,998,870	2	0.58%
Brentwood Lake Apartments LLC	6,496,170	3	0.53%
Pickerington Ridge	5,946,260	4	0.49%
Kroger Company	5,823,970	5	0.48%
Lakepoint OH Partners LLC	4,963,410	6	0.41%
AERC Turnberry Holdings LLC	4,685,330	7	0.39%
Ohio Power Company	4,590,020	8	0.38%
Kengary Way OH Partners LLC	4,387,940	9	0.36%
Target Corporation	4,248,410	10	0.35%
<b>Total</b>	<b>\$ 55,317,350</b>		<b>\$ 1,215,722,610</b>

<b>December 31, 2007</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	0.66%
Pickerington Apartments LLC	5,922,760	2	0.52%
Creekside I Acquisitions LLC	5,730,010	3	0.50%
South Central Power	4,952,320	4	0.43%
Regency Centers LP	4,126,610	5	0.36%
AERC Turnberry Inc	3,983,990	6	0.35%
Oh Retail II LL LLC	3,607,000	7	0.32%
Brooksedge Apartments LLC	3,465,000	8	0.30%
B&G Realty Inc	3,354,670	9	0.29%
Lakes Edge LLC	3,325,000	10	0.29%
<b>Total</b>	<b>\$ 46,036,110</b>		<b>\$ 1,140,315,952</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>
2016/2017	\$ 53,130,966	\$ 52,301,504	98.44%	\$ 877,108	\$ 53,178,612	100.09%
2015/2016	53,225,140	52,090,420	97.87%	946,409	53,036,829	99.65%
2014/2015	52,557,912	51,603,193	98.18%	940,015	52,543,208	99.97%
2013/2014	51,574,634	50,546,135	98.01%	1,014,241	51,560,376	99.97%
2012/2013	53,150,255	52,056,550	97.94%	983,980	53,040,530	99.79%
2011/2012	52,683,360	51,537,170	97.82%	841,025	52,378,195	99.42%
2010/2011	47,007,065	45,820,100	97.47%	1,690,921	47,511,021	101.07%
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%

**Source:** Fairfield County Auditor's Office

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

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

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(A) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Lease Obligations				
2017	\$ 113,447,995	\$ 2,961,501	\$ 116,409,496	\$ 5,904	\$ 11,376	18.29%
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%

**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		
2017	\$ 113,447,995	\$ 2,647,559	\$ 110,800,436	3.17%	\$ 5,619
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

(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, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 116,409,496	100.00%	\$ 116,409,496
	<u>116,409,496</u>		<u>116,409,496</u>
Overlapping debt:			
Fairfield County	6,368,588	33.19%	2,113,734
Franklin County	249,920,000	0.06%	149,952
City of Canal Winchester	4,625,235	0.06%	2,775
City of Columbus	1,102,245,000	1.00%	11,022,450
City of Pickerington	14,115,000	99.90%	14,100,885
City of Reynoldsburg	16,964,800	3.67%	622,608
Violet Township	7,065,000	95.12%	6,720,228
Eastland-Fairfield Career & Technical JVS District	1,750,000	15.65%	273,875
Solid Waste Authority of Central Ohio	50,930,000	0.62%	315,766
	<u>1,453,983,623</u>		<u>35,322,273</u>
Total direct and overlapping debt	<u>\$ 1,570,393,119</u>		<u>\$ 151,731,769</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
2017	\$ 109,415,035	\$ 99,194,907	\$ 12,080,013	\$ 87,114,894	\$ 22,300,141	79.62%
2016	102,779,032	108,043,707	15,115,600	92,928,107	9,850,925	90.42%
2015	100,422,908	114,722,013	14,966,650	99,755,363	667,545	99.34%
2014	99,342,470	121,582,555	15,116,501	106,466,054	(7,123,584)	107.17%
2013	101,629,748	127,739,785	15,482,227	112,257,558	(10,627,810)	110.46%
2012	100,194,040	133,357,508	15,883,788	117,473,720	(17,279,680)	117.25%
2011	100,403,646	139,015,433	16,812,713	122,202,720	(21,799,074)	121.71%
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%

**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>
2017	19,718	\$ 32,280	\$ 636,497,040	32.9	10,233	4.2%	5.1%	4.1%
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%

(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, 2016</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Pickerington Local School District	1,232	1	12.96%
OhioHealth Corporation	403	2	4.23%
Kroger Company, Inc.	389	3	4.09%
Kohl's Department Stores, Inc.	377	4	3.96%
Cracker Barrel Restaurant	268	5	2.82%
Roosters	230	6	2.42%
Tamarkin Co. Inc.	228	7	2.40%
Pickerington Nursing and Rehab	216	8	2.27%
Max & Erma's Restaurant	182	9	1.91%
Bob Evans Farms, Inc.	165	10	1.74%
<b>Total</b>	<b>3,690</b>		<b>38.80%</b>
<b>Total Employment within the City</b>	<b>9,509</b>		

<b>Employer</b>	<b>December 31, 2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Pickerington Local School District	1,123	1	12.52%
Kroger Company, Inc.	313	2	3.49%
Cracker Barrel Restaurant	290	3	3.23%
Kohl's Department Stores	273	4	3.04%
Kindred Nursing Center	228	5	2.54%
Bob Evans Farms, Inc.	172	6	1.92%
Max & Erma's Restaurants, Inc.	151	7	1.68%
City of Pickerington	118	8	1.32%
American Motorcycle Association	110	9	1.23%
R.G. Barry Corporation	102	10	1.14%
<b>Total</b>	<b>2,880</b>		<b>32.11%</b>
<b>Total Employment within the City</b>	<b>8,968</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>2017</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>
Office - administrative	76.20 (3)	53.50	51.32	49.50	44.00	42.50	43.00	41.60	43.50	41.00
Professional - educational	631.67	634.96	630.50	614.43	598.43	587.89	654.00	680.24	676.29	687.10
Professional - other	25.61	23.00	23.10	20.30	23.70	23.70	30.30	27.78	25.60	24.40
Technical	17.96	17.21	21.25	17.34	15.47	16.00	18.50	16.50	13.50	12.50
Office - clerical	123.09	110.93	107.23	105.05	98.56	109.65	126.30	149.35	141.54	138.50
Craft & trade	10.00	11.00	11.07	8.00	12.00	10.00	13.00	12.00	11.00	9.00
Service worker/laborer	151.37	142.29	141.33	136.07	129.82	138.17	136.70	113.70	106.15	106.25
<b>Total</b>	<b>1,035.90</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>Function</b>	<b>2017</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>Instruction:</b>										
Regular	459.84	446.58	442.65	471.58	438.20	452.85	520.50	526.07	542.12	552.45
Special	126.00	100.50	98.76	93.50	86.53	83.00	97.20	91.60	89.55	85.35
Vocational	1.00	1.00	2.50	4.20	4.20	2.00	11.00	12.00	12.00	11.80
<b>Support Services:</b>										
Pupil	231.09	231.09	235.77	183.22	186.27	182.72	183.20	181.83	174.26	173.40
Instructional staff	24.00	24.00	19.00	20.40	21.00	26.50	26.50	40.37	19.50	20.50
Administration	54.68	50.19	47.19	43.00	46.75	42.71	43.60	47.60	48.00	45.00
Fiscal	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	8.00	9.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Operations and maintenance	81.06	83.31	86.52	82.25	86.37	85.38	87.40	87.75	82.00	79.75
Food service operations	48.23	46.22	43.41	42.54	42.66	42.75	42.40	42.95	40.15	40.50
<b>Total Governmental Activities</b>	<b>1,035.90</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>

**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.
- (3): Numbers reflect re-classifying some employees as administrators to better reflect EMIS coding.



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

OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

<b>Function</b>	<b>2017</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>
Instruction:										
Regular and Special										
Enrollment (students) *	10,233	10,106	10,224	10,185	10,209	10,285	10,608	10,552	10,401	10,204
Graduates	816	845	780	735	791	847	844	728	722	669
Support services:										
Board of education										
Regular meetings per year	25	23	23	24	22	21	19	22	16	18
Special meetings per year	7	4	5	3	8	11	14	1	6	5
Administration										
Nonpayroll checks issued	5,728	5,699	5,384	5,261	5,137	5,265	5,690	6,203	6,337	6,222
Pupil transportation										
Avg. students transported daily	5,645	5,665	5,577	5,499	5,739	5,676	5,841	5,783	5,974	6,327
Food service operations										
Meals served to students	1,243,230	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

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

**Source:** District records

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

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480
Land improvements	8,403,036	8,996,384	9,901,311	10,499,004
Buildings and improvements	131,201,596	136,852,772	143,107,191	149,498,761
Furniture and equipment	2,350,441	2,083,002	2,579,716	3,019,734
Vehicles	810,851	1,096,287	692,943	574,525
Construction in progress	-	971,689	971,689	-
Total Governmental Activities				
Capital Assets, net	<u>\$ 151,951,404</u>	<u>\$ 159,185,614</u>	<u>\$ 166,438,330</u>	<u>\$ 172,777,504</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.

<b>2013</b>	<b>2012 (1)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 9,185,480	\$ 9,185,480	\$ 9,300,237	\$ 9,300,237	\$ 7,754,673	\$ 7,645,730
11,406,066	12,318,155	11,612,655	12,468,688	8,137,713	7,921,473
155,897,125	156,486,259	120,185,213	125,387,591	87,381,727	91,302,686
3,544,974	3,084,058	1,695,973	1,928,096	1,289,372	1,469,165
572,976	765,986	774,935	877,912	574,298	583,289
-	-	19,821,028	2,692,206	50,924,298	17,435,869
<u>\$ 180,606,621</u>	<u>\$ 181,839,938</u>	<u>\$ 163,390,041</u>	<u>\$ 152,654,730</u>	<u>\$156,062,081</u>	<u>\$126,358,212</u>

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

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Heritage Elementary (1907)				
Square feet	92,544	92,544	92,544	92,544
Capacity (students)	771	771	771	771
Enrollment	336	333	357	416
Fairfield Elementary (1980)				
Square feet	48,435	48,435	48,435	48,435
Capacity (students)	387	387	387	387
Enrollment	489	460	453	457
Pickerington Elementary (1977)				
Square feet	46,516	46,516	46,516	46,516
Capacity (students)	572	572	572	572
Enrollment	483	430	463	544
Tussing Elementary (1996)				
Square feet	75,501	75,501	75,501	75,501
Capacity (students)	653	653	653	653
Enrollment	560	492	525	555
Violet Elementary (1977)				
Square feet	46,516	46,516	46,516	46,516
Capacity (students)	372	372	372	372
Enrollment	476	449	457	346
Diley Middle School (2000)				
Square feet	94,951	94,951	94,951	94,951
Capacity (students)	693	693	693	693
Enrollment	642	576	618	580
Harmon Middle School (2000)				
Square feet	89,211	89,211	89,211	89,211
Capacity (students)	656	656	656	656
Enrollment	487	472	535	566
Ridgeview Junior High School (1968)				
Square feet	115,851	115,851	115,851	115,851
Capacity (students)	821	821	821	821
Enrollment	916	877	866	860
Lakeview Junior High School (2003)				
Square feet	142,082	142,082	142,082	142,082
Capacity (students)	1,008	1,008	1,008	1,008
Enrollment	787	847	857	864
Pickerington Central High School (1991)				
Square feet	261,099	261,099	261,099	261,099
Capacity (students)	1,471	1,471	1,471	1,471
Enrollment	1,714	1,693	1,618	1,630
Pickerington North High School (2003)				
Square feet	323,473	323,473	323,473	323,473
Capacity (students)	1,937	1,937	1,937	1,937
Enrollment	1,665	1,677	1,671	1,686
Sycamore Creek Elementary (2009)				
Square feet	86,695	86,695	86,695	86,695
Capacity (students)	750	750	750	750
Enrollment	614	637	656	689
Toll Gate Elementary (2009)				
Square feet	86,695	86,695	86,695	86,695
Capacity (students)	774	774	774	774
Enrollment	620	603	567	509
Toll Gate Middle School (2009)				
Square feet	101,867	101,867	101,867	101,867
Capacity (students)	800	800	800	800
Enrollment	444	560	581	483
Total enrollment by year	10,233	10,106	10,224	10,185

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

**Notes:** Year of original construction is in parentheses.

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

2013	2012	2011	2010	2009	2008
92,544	92,544	92,544	92,544	92,544	92,544
771	771	771	771	771	771
417	392	423	420	778	785
48,435	48,435	48,435	48,435	48,435	48,435
387	387	387	387	387	387
439	431	507	535	783	769
46,516	46,516	46,516	46,516	46,516	46,516
572	572	572	572	372	372
527	512	551	545	745	740
75,501	75,501	75,501	75,501	75,501	75,501
653	653	653	653	653	653
556	596	634	670	808	790
46,516	46,516	46,516	46,516	46,516	46,516
372	372	372	372	372	372
369	406	368	395	662	675
94,951	94,951	94,951	94,951	94,951	94,951
693	693	693	693	693	693
550	542	546	572	837	751
89,211	89,211	89,211	89,211	89,211	89,211
656	656	656	656	656	656
598	615	592	604	846	807
115,851	115,851	115,851	115,851	115,851	115,851
821	821	821	821	821	821
821	841	870	808	772	819
142,082	142,082	142,082	142,082	142,082	142,082
1,008	1,008	1,008	1,008	1,008	1,008
836	862	908	841	865	875
261,099	261,099	245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471	1,471	1,471
1,630	1,633	1,647	1,619	1,566	1,458
323,473	323,473	323,473	323,473	323,473	323,473
1,937	1,937	1,937	1,937	1,937	1,937
1,782	1,759	1,838	1,830	1,739	1,735
86,695	86,695	86,695	86,695	N/A	N/A
750	750	750	750	N/A	N/A
693	689	704	653	N/A	N/A
86,695	86,695	86,695	86,695	N/A	N/A
774	774	774	774	N/A	N/A
508	536	559	565	N/A	N/A
101,867	101,867	101,867	101,867	N/A	N/A
800	800	800	800	N/A	N/A
483	471	461	495	N/A	N/A
10,209	10,285	10,608	10,552	10,401	10,204

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

**EDUCATIONAL INDICATORS  
LAST TEN FISCAL YEARS**

	<b>2017</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>3rd Grade Achievement</b> (Initiated March, 2005)										
Reading/ELA	79.8%	73.5%	90.1%	90.1%	90.3%	88.8%	87.4%	89.1%	89.7%	89.9%
Mathematics	86.8%	85.3%	90.0%	90.0%	88.1%	88.5%	87.6%	80.3%	87.2%	87.8%
<b>4th Grade Proficiency/Achievement</b> (Initiated March, 1995)										
Reading/ELA	80.6%	73.9%	94.1%	94.1%	95.6%	89.2%	90.7%	90.4%	90.8%	93.2%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.6%	93.2%
Social Studies	85.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	90.4%	87.6%	85.4%	85.4%	90.9%	87.1%	86.6%	82.2%	85.5%	83.1%
<b>5th Grade Achievement</b> (Initiated March, 2005)										
Reading/ELA	84.6%	74.0%	82.4%	82.4%	85.8%	89.3%	88.8%	81.7%	83.3%	85.1%
Mathematics	79.2%	83.2%	78.8%	78.8%	82.7%	84.3%	79.1%	81.2%	77.2%	75.1%
Science	81.1%	81.8%	79.8%	79.8%	82.7%	86.7%	84.9%	84.9%	85.9%	82.2%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.2%	83.5%
<b>6th Grade Proficiency/Achievement</b> (Initiated March, 1996)										
Reading/ELA	79.6%	68.3%	93.2%	93.2%	93.0%	96.6%	94.6%	91.9%	91.7%	93.7%
Social Studies	77.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	75.0%	73.4%	87.3%	87.3%	88.1%	91.9%	88.7%	85.4%	85.2%	89.4%
<b>7th Grade Achievement</b> (Initiated March, 2005)										
Reading/ELA	74.6%	61.7%	91.0%	91.0%	91.6%	93.0%	89.2%	90.6%	90.9%	88.8%
Mathematics	66.0%	48.0%	71.7%	71.7%	80.6%	80.4%	79.4%	75.7%	82.8%	76.3%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	96.8%	95.2%
<b>8th Grade Achievement</b> (Initiated March, 2005)										
Reading/ELA	65.1%	58.6%	95.2%	95.2%	93.2%	92.8%	94.3%	90.8%	84.7%	82.8%
Mathematics	53.8%	49.0%	87.0%	87.0%	84.6%	86.6%	83.2%	74.0%	78.6%	80.1%
Science	75.9%	77.2%	77.8%	77.8%	80.6%	82.8%	78.1%	78.2%	77.7%	77.6%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	68.9%	70.4%
<b>10th Grade Ohio Graduation Test (OGT):</b> (Initiated March, 2005)										
Reading	N/A	N/A	95.3%	95.3%	95.2%	94.1%	93.6%	90.3%	92.4%	91.4%
Writing	N/A	N/A	95.1%	95.1%	91.5%	92.9%	95.2%	91.0%	97.8%	91.5%
Mathematics	N/A	N/A	89.9%	89.9%	92.6%	90.3%	91.0%	88.9%	91.8%	90.4%
Science	N/A	N/A	88.1%	88.1%	88.1%	88.1%	85.4%	81.2%	89.2%	84.8%
Social Studies	N/A	N/A	91.3%	91.3%	91.7%	90.2%	89.7%	88.4%	93.1%	88.1%
<b>11th Grade Ohio Graduation Test (OGT):</b>										
Reading	N/A	79.9%	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	N/A	95.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	N/A	93.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	N/A	96.6%	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)										
Algebra I	53.4%	57.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Biology	75.8%	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
English I	74.6%	61.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
English II	66.0%	62.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Geometry	51.7%	47.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Government	65.5%	46.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
History	75.3%	83.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Math I	NC	NC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Physical Science	N/A	42.2%	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	N/A	\$ 10,974	\$ 10,230	\$ 9,435	\$ 9,520	\$ 9,865	\$ 9,876	\$ 9,623	\$ 9,299
State	N/A	N/A	\$ 10,985	\$ 10,913	\$ 10,446	\$ 10,597	\$ 10,571	\$ 10,512	\$ 10,184	\$ 9,939
<b>Pupil/Teacher Ratio</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19.10
<b>Student Attendance Rate</b>	95.2%	95.3%	95.4%	95.4%	>95%	95.8%	95.5%	95.4%	95.5%	95.7%
<b>High School Graduation Rate</b>	98.1%	97.7%	95.4%	95.4%	95.0%	91.2%	96.6%	96.6%	95.0%	97.7%
<b>Performance Standards</b>										
Pickerington	6	15	20	20	24	26	26	25	29	29
Number of Standards	24	29	24	24	24	26	26	26	30	30
<b>Performance Index Score</b>	78.7	90.5	102.3	102.3	103.3	103.5	102.8	100.7	101.8	100.9
<b>Rating</b>	N/A	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
<b>Achievement</b>	C	C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Gap Closing</b>	B	F	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>K-3 Literacy</b>	C	D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Progress</b>	C	D	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Graduation Rate</b>	A	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Prepared for Success</b>	C	C	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Data for items marked "N/A" are either unavailable, not applicable or no longer computed for the respective reporting period.

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

<u>Fiscal Year</u>	<u>General Government Expenditures (1)</u>	<u>Governmental Activities Expenses (1)</u>	<u>Enrollment (2)</u>	<u>Percent Change</u>	<u>Teaching Staff</u>
2017	\$ 125,721,841	\$ 141,290,665	10,233	1.26%	667
2016	115,388,814	119,726,927	10,106	-1.15%	630
2015	118,173,588	120,001,262	10,224	0.38%	630
2014	111,176,999	119,191,744	10,185	-0.24%	630
2013	106,325,880	107,525,936	10,209	-0.74%	618
2012	124,446,976	104,534,767	10,285	-3.04%	613
2011	124,378,812	114,076,500	10,608	0.53%	688
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

**Sources:** District records and the Ohio Department of Education

(1) Debt Service totals have been excluded.

(2) Enrollment figures are taken from historical EMIS fall enrollment data, excluding preschool students. These figures are not consistent with the actual head counts of students used to calculate State funding because those head counts include community school students.

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

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# Dave Yost • Auditor of State

PICKERINGTON LOCAL SCHOOL DISTRICT

FAIRFIELD COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JANUARY 18, 2018