

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

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2006



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

January 19, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Receipts and Expenditures Schedule.....	1
Notes to the Federal Awards Receipts and Expenditures Schedule	2
Independent Accountants' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program, on Internal Control Over Compliance in Accordance with OMB Circular A-133, and on the Federal Awards Receipts and Expenditures Schedule	5
Schedule of Findings.....	7

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**GAHANNA JEFFERSON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2006**

FEDERAL GRANTOR <i>Pass Through Grantor</i>	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Program Title						
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
School Breakfast Program	046961-05PU-2005/2006	10.553	\$37,444		\$37,444	
School Breakfast Program	046961-05RE-2004	10.553	1,500		1,500	
National School Lunch Program	046961-LLP4-2005/2006	10.555	322,143		322,143	
Special Milk Program for Children	046961-02PU-2005/2006	10.556	6,618		6,618	
Total Nutrition Cluster			<u>367,705</u>		<u>367,705</u>	
<i>Passed Through Ohio Department of Education</i>						
Food Donation	N/A	10.550		67,489		67,489
Total U.S. Department of Agriculture			<u>367,705</u>	<u>67,489</u>	<u>367,705</u>	<u>67,489</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Special Education Cluster:						
Special Education Grants to States	046961-6BSF-2005/2006	84.027	1,351,518		1,312,522	
Title I Grants to Local Educational Agencies	046961-C1S1-2005/2006	84.010	262,471		296,762	
Safe & Drug Free School Communities National Program	046961-T4S1-2003/2005	84.184C	20,511		9,428	
Safe & Drug Free School Communities State Program	046961-DRS1-2005/2006	84.186	27,209		24,360	
State Grants for Innovative Programs	046961-C2S1-2005/2006	84.298	31,565		18,841	
Education Technology State Grants	046961-TJS1-2005/2006	84.318	5,688		5,137	
English Language Acquisition Grants	046961-T3S1-2006	84.365	10,111		10,025	
Improving Teacher Quality State Grants	046961-TRS1-2005/2006	84.367	154,930		162,094	
Total U.S. Department of Education			<u>1,864,003</u>		<u>1,839,169</u>	
U.S. DEPARTMENT OF HEALTH and HUMAN SERVICES						
<i>Passed Through Ohio Department of MR/DD</i>						
State Children's Insurance Program (SCHIP)	2511099	93.767	3,856		3,856	
Community Alternative Funding System (CAFS)	2511099	93.778	15,366		15,366	
Total U.S. Department of Health and Human Services			<u>19,222</u>		<u>19,222</u>	
Total			<u>\$2,250,930</u>	<u>\$67,489</u>	<u>\$2,226,096</u>	<u>\$67,489</u>

The accompanying notes are an integral part of this schedule.

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

**NOTES TO FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance, (expenditures) is reported in the Schedule at the fair market value of the commodities received. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



**Auditor of State
Betty Montgomery**

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

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 434230

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 14, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
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www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 14, 2006, we reported matters related to noncompliance we deemed immaterial.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 14, 2006



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE

Gahanna-Jefferson City School District
Franklin County
160 South Hamilton Road
Gahanna, Ohio 434230

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 14, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 14, 2006

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2006**

1. SUMMARY OF AUDITOR'S RESULTS

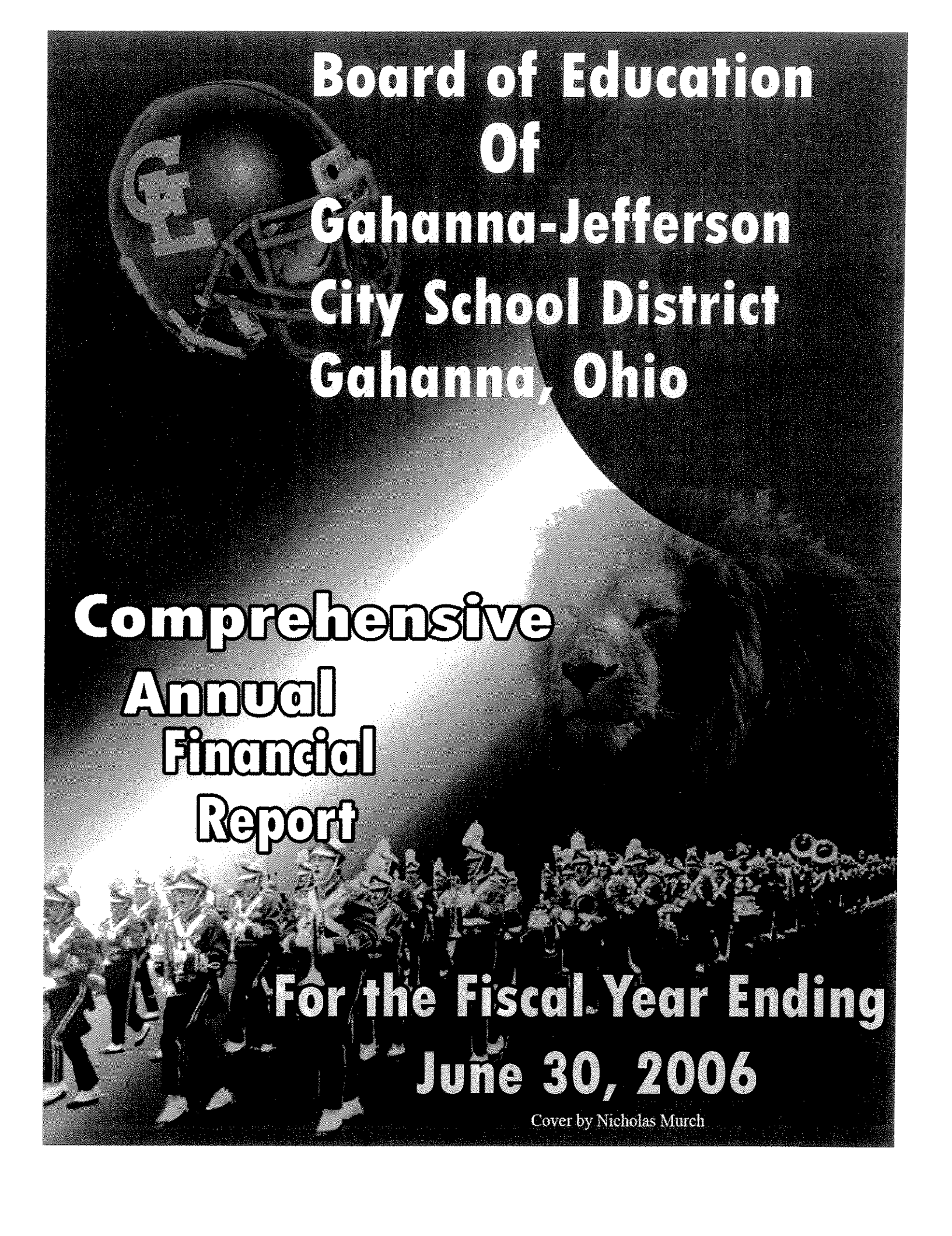
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies - 84.010; Child Nutrition Cluster – 10.553, 10.555, and 10.556
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Board of Education
Of
Gahanna-Jefferson
City School District
Gahanna, Ohio**

**Comprehensive
Annual
Financial
Report**

**For the Fiscal Year Ending
June 30, 2006**

Cover by Nicholas Murch

**Comprehensive
Annual Financial Report**

of the

**Gahanna-Jefferson City School District
Gahanna, Ohio**

For Fiscal Year Ended June 30, 2006

Issued by:

Office of the Treasurer

Julio C. Valladares, MBA
Treasurer/CFO

INTRODUCTORY SECTION



GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2006

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Table of Contents	i
Elected Officials and Administration Staff	vi
Organization Chart	vii
Transmittal Letter	ix
GFOA Certificate of Achievement	xvi
 <u>FINANCIAL SECTION</u>	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund	20
Statements of Net Assets – Proprietary Funds	21
Statements of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets	24
Notes to the Basic Financial Statements	25
 Combining Statements and Individual Fund Schedules	
General Fund	
Description of Fund	50
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	51
Debt Service Fund	
Description of Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis)	53
Nonmajor Governmental Funds	
Description of Funds	54
Public School Support	
Other Local Grants	
Library Automation	
District Managed Activities	
Auxiliary Services	
Management Information Systems	
Entry Year Program	
Poverty Based Assistance	
Data Communication	
SchoolNet Professional Development	

Textbook Subsidy	
Ohio Reads	
Summer Intervention	
Alternative Schools	
Other State Grants	
Idea-B	
Title III	
Title I	
Title V	
Drug Free Schools	
FCC E-Rate	
Title II-A	
Other Federal Grants	
Capital Project-Building	
Combining Balance Sheet – Nonmajor Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds	64
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)	69
Proprietary Funds	
Enterprise Funds	
Description of Funds	78
Food Service Fund	
Community Recreation	
Special Rotary Fund	
Statement of Net Assets - Enterprise Funds	79
Statement of Revenues, Expenses and Changes in Fund Net Assets - Enterprise Funds	80
Statement of Cash Flows - Enterprise Funds	81

Schedule of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Non-GAAP Budgetary Basis)	82
Internal Service Fund	
Description of Fund	84
Self-Insurance Fund	
Schedule of Revenues, Expenses, and Changes in Fund Net Assets – Budget and Actual (Non-GAAP Budgetary Basis)	85
Fiduciary Funds	
Description of Funds	86
Private Purpose Trust	
Student Activity Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)	87
Statement of Changes in Assets and Liabilities – Agency Fund	88
 <u>STATISTICAL SECTION</u>	
General Governmental Expenditures by Function	89
General Governmental Revenues by Source	90
Property Tax Levies and Collections	91
Assessed and Estimated Actual Value of Taxable Property	92
Property Tax Rates – Direct and Overlapping Governments City of Gahanna Last Ten Fiscal Years	93
Property Tax Rates – Direct and Overlapping Governments Jefferson Township Last Ten Fiscal Years	94
Property Tax Rates – Direct and Overlapping Governments Mifflin Township Last Ten Fiscal Years	95

Property Tax Rates – Direct and Overlapping Governments City of Columbus Last Ten Fiscal Years	96
Top Principal Property Taxpayers	97
Net Assets by Component, Last Four Fiscal Years	98
Change in Net Assets, Last Four Fiscal Years	99
Change in Net Assets, Last Four Fiscal Years (Continued)	100
Fund Balances, Governmental Funds, Last Four Fiscal Years	101
Change in Fund Balances, Governmental Funds, Last Four Fiscal Years	102
Computation of Legal Debt Margin	103
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	104
Annual General Obligation Bonded Debt Service Expenditures to Total General Governmental Expenditures Last Ten Fiscal Years	105
Computation of Direct and Overlapping Debt	106
Property Value and Construction Last Ten Years	107
Free and Reduced Meals Statistics	108
Staff Data	109
School District Facilities Statistics	110
Historical Enrollments by Grade	111
Demographics and Other Miscellaneous Statistics	112

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Gahanna-Jefferson City School District
Elected Officials and Administrative Staff
as of June 30, 2006

BOARD OF EDUCATION MEMBERS

President	Mr. Ted Carr
Vice President	Mr. Jeffery Carson
Member	Mrs. Marlene Eader
Member	Mr. Claire Yoder
Member	Mrs. Windy McKenna

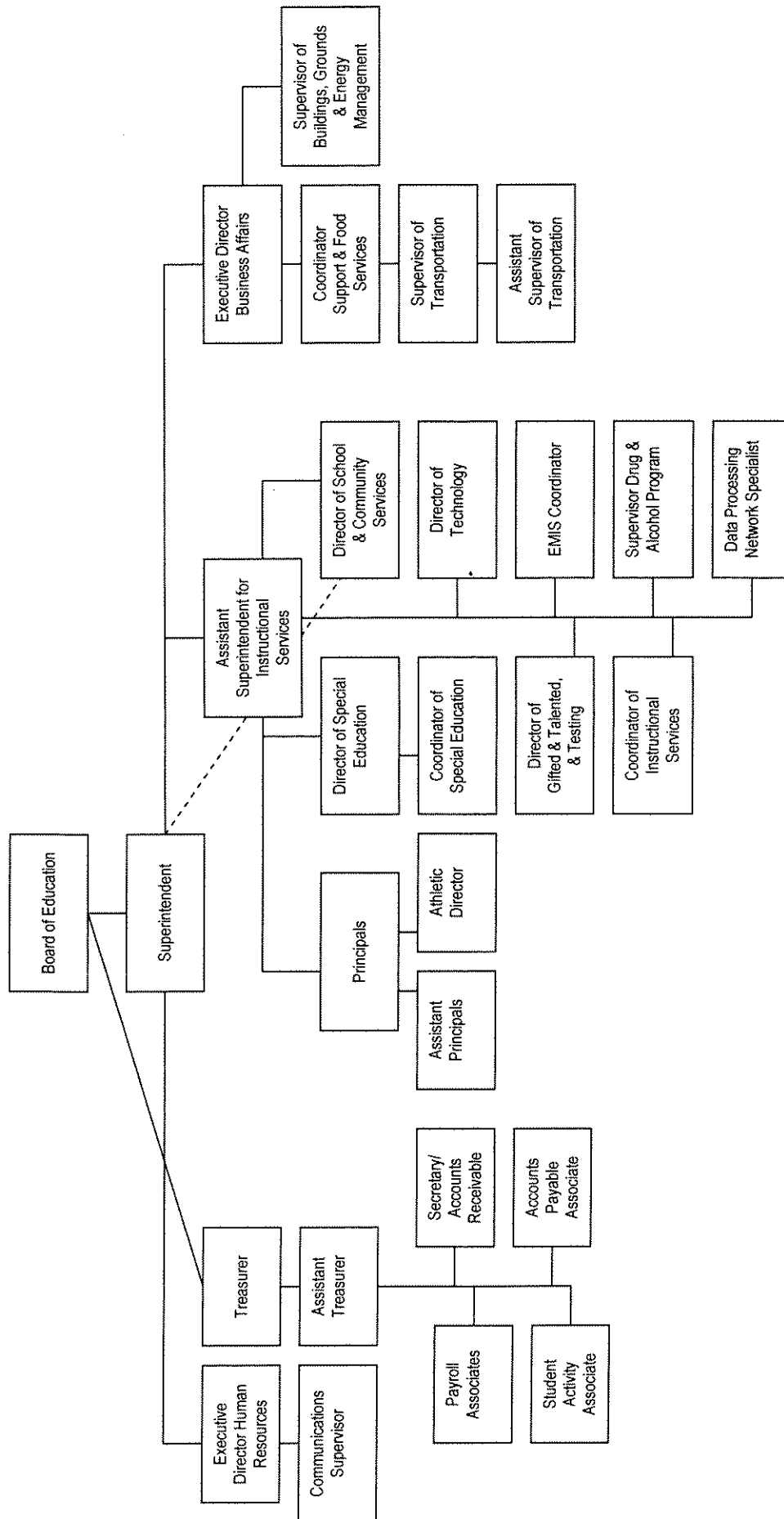
APPOINTED OFFICIALS

Superintendent	Mr. Gregg E. Morris
Treasurer	Mr. Julio Valladares

ADMINISTRATIVE STAFF

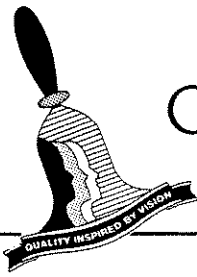
Asst. Superintendent - Instructional Services	Dr. Shirley Hamilton
Executive Director - Human Resources	Dr. Cheri Dunlap
Executive Director of Business Affairs	Mr. Daniel Rotella
Director of Special Education Services	Mr. Mark Semer
Gifted and Talented Coordinator	Mrs. Louise Baehr
Principal, Lincoln High School	Mr. Mark White
Principal, Middle School West	Mr. James Bailey
Principal, Middle School East	Mr. Hank Langhals
Principal, Middle School South	Ms. Angie Adrean
Principal, Blacklick Elementary School	Mrs. Robin Schmidt
Principal, Chapelfield Elementary School	Mrs. Barbara Murdock
Principal, Goshen Elementary School	Mr. Chad Reynolds
Principal, High Point Elementary School	Mrs. Kathleen Erhard
Principal, Jefferson Elementary School	Mrs. Roben Frentzel
Principal, Lincoln Elementary School	Mrs. Kristen Groves
Principal, Royal Manor Elementary School	Mr. Rick Oxley

Gahanna-Jefferson Public Schools Organization Chart



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Gahanna - Jefferson Public Schools

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

December 14, 2006

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

As Treasurer and Superintendent of the Gahanna-Jefferson City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2006 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

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

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

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

Economic Condition and Outlook

Approximately 85% of the District's enrolled students reside in the City of Gahanna. Gahanna is a suburban community that has experienced little residential and commercial growth during the past few years. Approximately 95% of the City is developed. Jefferson Township, which until recently had been primarily rural, is now experiencing residential developments. Tax valuation has increased 28% in the last five years as a result of commercial and residential growth, with student population increasing at a three years average of 49 students.

The District, along with many other public school systems in the state, still faces some difficult situations in the future since the primary funding source is property tax revenues. Ohio law, specifically House Bill 920, limits growth in real estate tax revenues by reducing millage as assessed values increase. This law keeps revenues from each levy relatively constant. Additionally, House Bill 95 which includes tax reductions for school districts will ultimately lead to a pronounced shifting of tax burden to residential and agricultural property tax payers.

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

The District and Its Facilities

The District serves an area of 32 square miles in and around the City of Gahanna. It is located in Franklin County, approximately 10 miles east of downtown Columbus, the state capital. The Gahanna-Jefferson City School District is a suburban district experiencing little or no growth in the last 10 years. Gahanna's population in 1996 was approximately 36,500 residents. By 2005, according to the City of Gahanna, population has decreased to 34,469.

Over the last ten years, the District has experienced growth in enrollment as well as decreases. However over the last three fiscal years, the District has experienced a little growth of about 39 students per year.

The District's facilities include seven elementary schools (Grades K-5), three middle schools (Grades 6 to 8), one high school (Grades 9-12), a maintenance building, a bus garage, an alternative school, the central office and several athletic fields.

Major Initiatives

Comprehensive Improvement Planning

Comprehensive Improvement Plans at both the District and building levels hold the Gahanna-Jefferson school system accountable and provide a guide to accomplishing measurable improvements in the schools and District's performance. These improvement plans build on our accomplishments and ease us into the current, data-driven Improvement Plans, which serve as viable school improvement documents for our future.

The District Comprehensive Improvement Plan models the kinds of data collection, analysis, and intervention strategies expected in the individual buildings Comprehensive Improvement Plans. The District sets the goal umbrella from which the buildings select the goals that best match their unique needs. Building goals address proficiency scores, standardized test scores, reading, math, technology standards, professional development, and parent, business, and community involvement.

Integral to the whole process of school improvement is the use of quality tools and concepts. This approach uses data to help students, teachers and parents be proactive in meeting individual student needs as well as involving all stakeholders and evaluating results. This systematic data-driven process includes examining student test scores to determine intervention strategies that will help students increase academic achievements.

We are enthusiastic that the District and buildings Comprehensive Improvement Plans through sustained effort will provide positive results in meeting individual student needs and improved academic performance.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Business Advisory Council

The mission of the District's School Business Advisory Council (SBAC) is to facilitate the creation of partnerships and establish lines of communication between businesses and professionals with staff and students across the District. Included in ongoing and interactive programs and projects are mock interviews, shadowing experiences, career awareness and exploration activities, advisory boards, and numerous incentive support programs promoting both academic excellence and service learning. The SBAC was also instrumental in the creation of the Gahanna-Jefferson Education Foundation. Many of the collaborative activities with our business partners are detailed in the annual SBAC newsletter, which is distributed to over 16,000 homes each fall thanks to the support of our business partners. Without question, the SBAC is a highly valued partner with the District.

Intergovernmental Planning

In 1993, dialogue began between the City of Gahanna (the City) and the District regarding a joint fueling and vehicle maintenance complex. It was the desire of the District and City to save the community tax dollars and run a more efficient operation. That dialogue became a reality in 1998, when the transportation complex was completed. On approximately ten acres of land, a joint fueling station fuels the District and City vehicles. Volume buying of fuel enables the District to save tax dollars. Also on the site is a bus driver/coordinator building which houses the District's transportation department. In addition, this site houses a joint vehicle maintenance building where the District and City have combined equipment, expertise and manpower to service the vehicles.

In August 1999, the City and the District adopted a tax abatement compensation agreement, which resulted in the City providing compensation to the District as payments in lieu of taxes for those properties affected by a Tax Increment Financing (TIF) ordinance.

Departmental Focus

Technology

- The Gahanna-Jefferson City School District continues to be a leader in the commitment to educational technology. The following is evidence of that commitment:
- On March 31, 2006, eTech Ohio certified Gahanna Jefferson Public Schools' new long range technology plan. The aggressive plan spans the time period from June 30, 2006 – June 30, 2009.
- The District continues to refine its network infrastructure. In July of 2006, we will become part of the "Third Frontier Network" by connecting directly to our ISP via fiber optics. Through this on-going process, we have increased both internal network speed and external bandwidth. Connection to the Third Frontier Network will enable us to take advantage of new state-wide resources and databases.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

- The District continues to utilize the services of an engineering firm to help maintain the district's sophisticated networks. Value added services that the engineering firm has provided during the 2005-2006 school year include:
 - Upgrading the computer imaging process to automate much of it, resulting in tremendous time savings for district support staff
 - Upgrading and installing new switches throughout the district
 - Integration of additional automated school lunch system at Blacklick and Lincoln Elementary Schools
 - Implementation of a SAN, Storage Attached Network. The SAN is the major component of our “disaster recovery system”.
- The District continues implementation of data-based decision making. The district’s staff continues to utilize the Battelle for Kids data reporting and management system. In addition, staff will be trained in the summer and fall in the newly implemented Person Inform data management system.
- The Gahanna-Jefferson City School District in conjunction with Instructional Technologies of Central Ohio, offers a series of technology related workshops to all staff members. Staff members all eligible for college credit upon successful completion of the series.
- Approximately 20 % of all Elementary, Middle School, and High School classroom computers were upgraded to the latest model during the 2005-2006 school year.
- Additional computer systems were installed in various Special Education classrooms throughout the district.
- Additional carts of wireless laptops were provided for each elementary and middle school during the 2005-2006 school year.
- Gahanna-Jefferson City School District continues to utilize the Gahanna "TechCenter", a technology training center for staff, students, and community.
- The TechEd labs in all three middle schools were upgraded with new desktop computers to support the newest TechEd Course of Study.
- During the summer of 2006, every classroom computer and laptop computer in the district will be re-imaged with the latest software updates This entails the re-imaging of approximately 3000 computers.
- During the 2005-2006 school year, Gahanna Jefferson Public Schools implemented “Moodle”, an online course management system that will allow online delivery of online instruction.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

- These items represent only a handful of the School District's technology initiatives. Future visions include student access to educational materials from home, and collaborative projects with parents and business leaders to strengthen, enhance, and empower our entire learning community.

Financial Information

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

Internal Controls

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

Budgetary Controls

The District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control, the level at which expenditures cannot legally exceed the appropriated amount is established at the fund level of expenditure. Additionally, the District maintains an encumbrance system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. In June 2006, the Board approved the fiscal year 2006 final amended appropriation measure for the District.

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Risk Management

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

Independent Auditors

The basic financial statements of the District for the year ending June 30, 2006, were audited by the Auditor of State Betty Montgomery's Office, whose opinion thereon is included at the beginning of the Financial Section of this report.

Certificate of Achievement Program

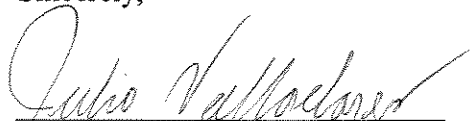
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the Gahanna-Jefferson City School District, Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2005. The Certificate of Achievement is a prestigious award that recognizes conformance with the highest standards for preparation of state and local government financial reports.


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

Acknowledgments

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

Sincerely,


Julio C. Valladares, Treasurer


Gregg E. Morris, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Gahanna-Jefferson
Public School District
Ohio

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

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



Carla E. Perry

President

Jeffrey R. Enen

Executive Director

FINANCIAL SECTION





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gahanna-Jefferson City School District, Franklin County, Ohio, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 14, 2006

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Our discussion and analysis of the District’s financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2006.

Financial Highlights

The District’s net assets decreased by over \$6.6 million or 15.3%. Program revenues accounted for \$7.0 million or 10.5% of total revenues, and general revenues accounted for \$60.0 million or 89.5% of total revenues.

The general fund reported a positive fund balance in excess of \$25 million.

Using this Comprehensive Annual Financial Report

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

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the District’s finances is, “Is the District better or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District’s net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District’s financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Reporting the District’s Most Significant Funds

Fund Financial Statements

Our analysis of the District’s major funds begins on page 10. The fund financial statements begin on page 16 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and for compliance with various grant provisions. The District’s three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the basic financial statements.

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 other financial assets that can readily be converted to cash. The governmental fund 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 less financial resources available to spend in the near future to finance the District’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

Proprietary funds use the accrual basis of accounting; the same as on the government-wide statements, therefore the statements will essentially match the business-type activities portion of the government -wide statements.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship program. The District also has a student managed activities fund. All of the District’s fiduciary activities are reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets on page 24. We exclude these activities from the District’s other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$36.3 million at the close of the most recent fiscal year.

Gahanna-Jefferson City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the District's net assets (26%) reflects its investment in capital assets less any related debt used to acquire those assets that are still outstanding.

An additional portion of the District's net assets (14%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

The District is able to report a positive balance in the areas of net assets for both the government as a whole, as well as for its separate governmental activities.

Net Assets
(Amounts expressed in thousands)

	Governmental Activities		Business Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current Assets	\$ 101,858	\$ 105,026	\$ 419	\$ 414	\$ 102,277	105,440
Capital Assets	<u>30,816</u>	<u>31,734</u>	<u>133</u>	<u>159</u>	<u>30,949</u>	<u>31,893</u>
Total Assets	132,674	136,760	552	573	133,226	137,333
Current Liabilities	66,650	62,488	267	265	66,917	62,753
Long Term Liabilities	<u>29,910</u>	<u>31,623</u>	<u>98</u>	<u>83</u>	<u>30,008</u>	<u>31,706</u>
Total Liabilities	96,560	94,111	365	348	96,925	94,459
Net Assets:						
Invested in Capital						
Assets, net of debt	9,197	6,714	133	159	9,330	6,873
Restricted	5,087	4,716	0	0	5,087	4,716
Unrestricted	<u>21,830</u>	<u>31,219</u>	<u>54</u>	<u>66</u>	<u>21,884</u>	<u>31,285</u>
Total Net Assets	<u>\$ 36,114</u>	<u>\$ 42,649</u>	<u>187</u>	<u>\$ 225</u>	<u>\$ 36,301</u>	<u>42,874</u>

Current assets decreased \$3.2 million as a result of decreases in cash and cash equivalents in the amount of \$7.5 million due to District operations netted by increases in taxes receivables, accounts receivables and accrued interest receivables. Capital assets decreased \$944 thousands as a result of depreciation net of additions. Current liabilities increased \$4.2 million as a result of increases in accrued wages, due to other governments, and unearned revenue. Long term liabilities decreased \$1.7 million as a result of debt payments netted by an increased in compensated absences.

Gahanna-Jefferson City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

	Changes in Net Assets (Amounts expressed in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues						
Charges for Services	\$1,230	\$1,450	\$1,640	\$1,652	\$2,870	\$3,102
Operating Grants	<u>3,716</u>	<u>3,766</u>	<u>458</u>	<u>401</u>	<u>4,174</u>	<u>4,167</u>
Total Program Revenues	<u>4,946</u>	<u>5,216</u>	<u>2,098</u>	<u>2,053</u>	<u>7,044</u>	<u>7,269</u>
General Revenues						
Property Taxes	40,850	41,736			40,850	41,736
Grants and Entitlements	16,103	16,329			16,103	16,329
Payment in Lieu of taxes	1,689	1,358			1,689	1,358
Investment Earnings	1,331	858	4	2	1,335	860
Miscellaneous	<u>58</u>	<u>26</u>			58	26
Total General Revenues	<u>60,031</u>	<u>60,307</u>	<u>4</u>	<u>2</u>	<u>60,035</u>	<u>60,309</u>
Total Revenues	<u>64,977</u>	<u>65,523</u>	<u>2,102</u>	<u>2,055</u>	<u>67,079</u>	<u>67,578</u>
Expenses						
Program Expenses						
Instruction						
Regular	36,372	33,832			36,372	33,832
Special	8,800	7,871			8,800	7,871
Vocational	938	799			938	799
Support Services						
Pupil	3,364	3,232			3,364	3,232
Instructional Staff	3,278	3,062			3,278	3,062
General Administration	30	443			30	443
School Administration	5,936	5,134			5,936	5,134
Fiscal	938	1,614			938	1,614
Business	27	59			27	59
Maintenance	5,357	5,027			5,357	5,027
Pupil Transportation	2,274	1,998			2,274	1,998
Central	371	331			371	331
Community Services	1,440	1,404			1,440	1,404
Extracurricular Activities	1,285	1,272			1,285	1,272
Miscellaneous	43	8			43	8
Interest and Fiscal Charges	1,059	1,423			1,059	1,423
Food Service			1,950	1,894	1,950	1,894
Special Rotary			139	123	139	123
Community Recreation			<u>51</u>	<u>84</u>	<u>51</u>	<u>84</u>
Total Expenses	<u>71,512</u>	<u>67,509</u>	<u>2,140</u>	<u>2,101</u>	<u>73,652</u>	<u>69,610</u>
Excess Before Transfers	(6,535)	(1,986)	(38)	(46)	(6,573)	(2,032)
Transfers	<u>0</u>	<u>(28)</u>	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>
Change in Net Assets	<u>\$ (6,535)</u>	<u>\$ (2,014)</u>	<u>\$ (38)</u>	<u>\$ (18)</u>	<u>\$ (6,573)</u>	<u>\$ (2,032)</u>

Gahanna–Jefferson City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Governmental Activities

Net assets of the District's governmental activities decreased by \$6.5 million and unrestricted net assets reflect a healthy positive balance of \$21.8 million. The decrease in net assets is primarily the result of an increase of expenses of \$4.0 million due to negotiated increases in salaries and operational increases.

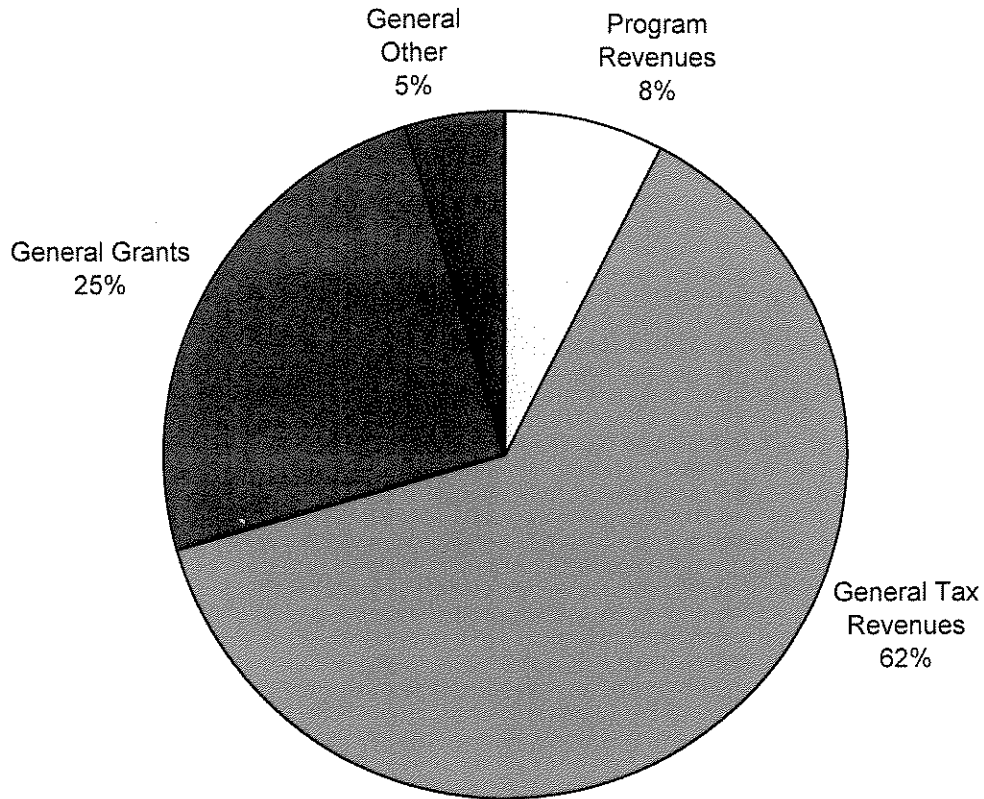
The property tax laws in Ohio create the need to periodically seek voter approval for additional operating funds. Tax revenues generated from a levy do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the affect of providing the District the same amount of tax dollars as originally approved. Therefore school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues management of the resources is of paramount concern to District administration and the voting public. The District utilizes a five-year cash financial forecast to estimate revenues and control expenditures to assure tax levy revenues can maintain operations for a significant period of time. The current forecast does not reflect a need for additional operating resources until fiscal year 2010.

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities (amounts expressed in thousands). General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

	Total Cost of	Net Cost of	Total Cost of	Net Cost of
	<u>Services 2006</u>	<u>Services 2006</u>	<u>Services 2005</u>	<u>Services 2005</u>
Program Expenses				
Instruction				
Regular	\$36,372	\$35,953	\$33,832	\$33,292
Special	8,800	7,963	7,871	6,790
Vocational	938	755	799	684
Support Services				
Pupil	3,364	3,074	3,232	2,977
Instructional Staff	3,278	2,584	3,062	2,305
General Administration	30	(57)	443	372
School Administration	5,936	5,773	5,134	4,922
Fiscal	938	938	1,614	1,614
Business	27	27	59	59
Maintenance	5,357	5,140	5,027	4,775
Pupil Transportation	2,274	2,234	1,998	1,963
Central	371	315	331	276
Community Services	1,440	(58)	1,404	32
Extracurricular Activities	1,285	823	1,272	801
Miscellaneous	43	43	8	8
Interest and Fiscal Charges	<u>1,059</u>	<u>1,059</u>	<u>1,423</u>	<u>1,423</u>
Total Expenses	\$71,512	\$66,566	\$67,509	\$62,293

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited



The District’s reliance upon tax revenues is demonstrated by the graph above that indicates 62% of total revenues for governmental activities come from local taxes. The reliance on general revenues to support governmental activities is indicated by the net services column reflecting the need for \$66.6 million dollars of support as well as the graph indicating general revenues comprise 92% of total revenues.

Business-Type Activities

Business-type activities include Food Service, Special Rotary and Community Recreation. These programs had a decrease in net assets of \$37,918 for the fiscal year. The decrease was due to increases in expenses as a result of additional operating costs.

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

The District’s Funds

The District’s governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of \$30.2 million, which is a decrease from last year’s total of \$38 million. The schedule below indicates the fund balance and the total change in fund balance by fund as of June 30 for year 2006 and 2005.

	<u>Fund Balance</u> <u>June 30,2006</u>	<u>Fund Balance</u> <u>June 30,2005</u>	<u>Increase</u> <u>(Decrease)</u>
General	\$ 25,609,683	\$ 32,325,917	\$ (6,716,234)
Debt Service	4,501,569	4,883,635	(382,066)
Other Governmental	<u>97,030</u>	<u>768,171</u>	<u>(671,141)</u>
Total	<u>\$ 30,208,282</u>	<u>\$ 37,977,723</u>	<u>\$ (7,769,441)</u>

General Fund

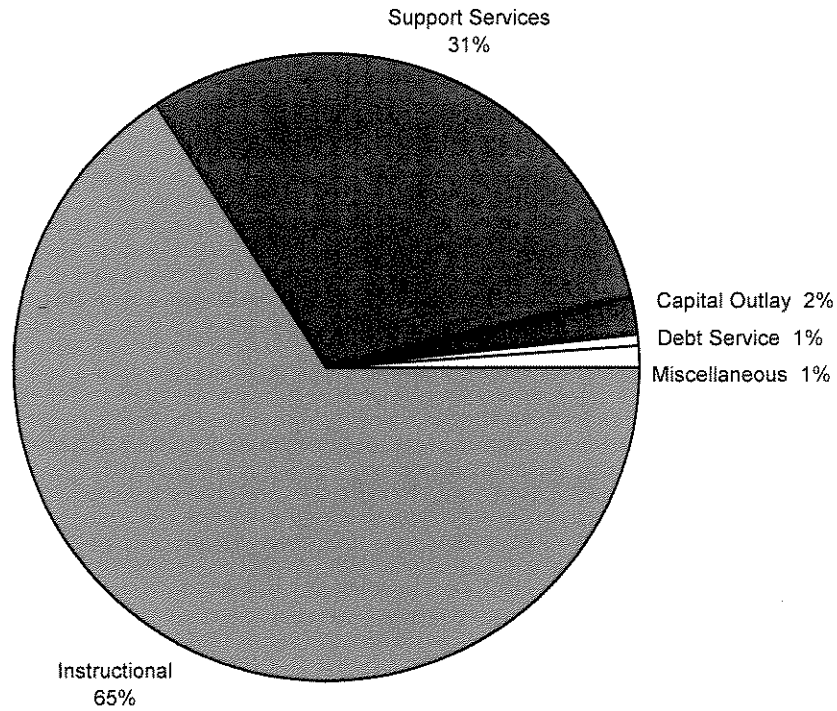
The District’s general fund balance decrease is due to many factors. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

	<u>2006</u> <u>Amount</u>	<u>2005</u> <u>Amount</u>	<u>Percent</u> <u>Change</u>
Revenues			
Taxes	\$ 37,716,804	\$ 38,162,455	(1.17%)
Interest Earnings	1,353,460	845,444	60.09%
Intergovernmental	15,907,142	16,008,770	(0.63%)
Other Revenue	<u>2,351,943</u>	<u>2,223,382</u>	5.78%
Total	<u>\$ 57,329,349</u>	<u>\$ 57,240,051</u>	

The property tax revenue decrease is due to decreases in personal property taxes. Interest earnings are up \$508,016 due to the incline in interest rates. Intergovernmental revenue is down \$101,628 for the fiscal year because of legislative changes in the state aid formula. The latest State budget may result in more decreases in funding for the District in fiscal year 2007 due to legislative changes as well. The increase in the other revenue category of \$128,561 is due to more revenue from the tax sharing agreements through the City of Columbus and the City of Gahanna.

Gahanna-Jefferson City School District
 Management's Discussion & Analysis
 For the Fiscal Year Ended June 30, 2006
 Unaudited

As the graph below illustrates, the largest portions of general fund expenditures are related to instructional and support services. The District is a service entity and as such is labor intensive.



	<u>2006</u>	<u>2005</u>	<u>Percent</u>
Expenditures by Function	Amount	Amount	Change
Instructional	\$ 42,094,537	\$ 39,557,105	6.41%
Support Services	19,588,091	19,393,156	1.01%
Capital Outlay	1,235,821	1,114,477	10.89%
Debt Service	365,723	427,161	(14.38%)
Miscellaneous	761,411	785,025	(3.01%)
Total	<u>\$ 64,045,583</u>	<u>\$ 61,276,924</u>	

Expenditures increased \$2.8 million or 4.5% over the prior year mostly due to increases associated with staffing costs. The decrease in debt service expenditures is a result of the termination of capital leases during fiscal year 2005. Expenditures exceeded revenues during the fiscal year resulting in a decrease in fund balance. The increase in expenditures is due to increases in wages and benefits in accordance with negotiated agreements which end in 2007.

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Debt Service Fund

The District’s debt service fund balance decreased by \$382,066 due to a decrease in property tax revenues. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees.

Other Funds

Other governmental funds consist of special revenue funds and a capital projects fund. The decrease in fund balance is primarily due to the decrease in local resources available.

General Fund Budget Information

The District’s budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect additional intergovernmental tax and interest revenue. The final budget for expenditures increased \$2,645,063 over the original budget primarily due to increased salary/fringe benefits and purchase services. Other appropriations required changes in functional categories due to spending patterns.

The District utilizes the five-year forecast as the original document from which to form the operating budget. After updating of the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students in the specific buildings. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The site and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

Capital Assets

The District has \$30.9 million in capital assets net of depreciation, with \$30.8 million attributed to governmental activities. Acquisitions for governmental activities totaled \$1.4 million and depreciation was \$2.4 million. The majority of the acquisitions were for furniture, buses, educational media, and computer equipment replacement throughout the District. Detailed information regarding capital asset activity is included in the notes to the basic financial statements (Note 7).

Gahanna–Jefferson City School District
Management’s Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Debt

As of June 30, 2006, the District had \$24.6 million in outstanding bonds, loans, and notes payable. The District paid \$2,941,000 in principal on bonds outstanding, \$26,290 in loans, and \$270,000 in notes payable during the fiscal year. The District also advance refunded a portion of the 1999 bonds during the fiscal year. For more detailed information on debt see notes 8, 9 and 10.

Under current state statutes, the District’s general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. As of June 30, 2006, the District’s general obligation debt was below the legal limit.

Restrictions and Other Limitations

With the passage of the May 2006 and the November 1998 operating levies, the District is in a great financial position. The two operating levies combined with the 1998 bond issue provide the necessary funds for the District to manage current growth patterns while maintaining the educational program and the facilities. However, the future financial stability of the District is not without challenges.

The first challenge is for management to ensure resources can be preserved as long as possible. The five-year forecast of the general fund and the five-year capital plans are utilized by management as a tool to manage resources effectively.

The second challenge facing the District is based on the local economy. The District has experienced little or no growth over the last 10 years. If the growth patterns in student population change and more students enter the District than currently anticipated, adjustments will have to be made to the financial models upon which assumptions have been made. Also, an economic slowdown could result in revenue forecasts having to be revised downward. Either of these scenarios could cause the District to scale down the educational program offerings or seek additional resources.

Gahanna-Jefferson City School District, Ohio
Statement of Net Assets
as of June 30, 2006

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$29,506,549	\$336,058	\$29,842,607
Receivables			
Taxes - Current	67,174,798	-	67,174,798
Taxes - Delinquent	2,990,858	-	2,990,858
Accounts	1,195,841	3,692	1,199,533
Accrued Interest	476,110	839	476,949
Intergovernmental - State	10,830	-	10,830
Intergovernmental - Federal	336,501	57,303	393,804
Internal Balances	-	-	-
Materials & Supplies Inventory	-	21,084	21,084
Deferred Charges	136,745	-	136,745
Prepaid Assets	29,708	-	29,708
Nondepreciable Capital Assets	2,252,059	-	2,252,059
Depreciable Capital Assets, Net	28,564,380	133,243	28,697,623
Total Assets	<u>132,674,379</u>	<u>552,219</u>	<u>133,226,598</u>
Liabilities			
Accounts Payable	490,705	3,578	494,283
Claims payable	433,132	-	433,132
Accrued Wages and Benefits	6,236,176	111,697	6,347,873
Interest payable	100,939	-	100,939
Due to Other Governments	1,765,952	111,126	1,877,078
Matured Leave Benefits Payable	123,626	-	123,626
Unearned Revenue	57,088,359	40,382	57,128,741
Notes Payable	411,342	-	411,342
Long-Term Liabilities			
Due within One Year	2,371,982	11,085	2,383,067
Due in More Than One Year	27,537,943	87,657	27,625,600
Total Liabilities	<u>96,560,156</u>	<u>365,525</u>	<u>96,925,681</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	9,196,797	133,243	9,330,040
Restricted for:			
Debt Service	4,629,046	-	4,629,046
Other	458,349	-	458,349
Unrestricted	21,830,031	53,451	21,883,482
Total Net Assets	<u>\$36,114,223</u>	<u>\$186,694</u>	<u>\$36,300,917</u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities						
Instruction						
Regular	\$36,371,451	\$196,672	\$222,151	(\$35,952,628)	\$ -	(\$35,952,628)
Special	8,800,208	190,516	646,319	(7,963,373)	-	(7,963,373)
Vocational	938,003	-	182,582	(755,421)	-	(755,421)
Support Services						
Pupils	3,364,165	-	289,812	(3,074,353)	-	(3,074,353)
Instructional Staff	3,277,989	-	693,620	(2,584,369)	-	(2,584,369)
General Administration	29,741	-	87,209	57,468	-	57,468
School Administration	5,936,160	162,888	-	(5,773,272)	-	(5,773,272)
Fiscal Services	938,004	-	-	(938,004)	-	(938,004)
Business	27,402	-	-	(27,402)	-	(27,402)
Maintenance	5,357,488	217,751	-	(5,139,737)	-	(5,139,737)
Pupil Transportation	2,274,066	-	40,012	(2,234,054)	-	(2,234,054)
Central	370,746	-	56,195	(314,551)	-	(314,551)
Community Services	1,440,164	-	1,498,344	58,180	-	58,180
Extra Curricular Activities	1,285,184	461,900	-	(823,284)	-	(823,284)
Miscellaneous	42,792	-	-	(42,792)	-	(42,792)
Interest and Fiscal Charges	1,058,443	-	-	(1,058,443)	-	(1,058,443)
Total Governmental Activities	71,512,006	1,229,727	3,716,244	(66,566,035)	-	(66,566,035)
Business-Type Activities						
Food Service	1,949,954	1,425,505	457,763	-	(66,686)	(66,686)
Special Rotary	138,392	157,443	-	-	19,051	19,051
Community Recreation	51,303	57,152	-	-	5,849	5,849
Total Business-Type Activities	2,139,649	1,640,100	457,763	-	(41,786)	(41,786)
Totals	\$73,651,655	\$2,869,827	\$4,174,007	(66,566,035)	(41,786)	(66,607,821)
General Revenues						
Property Taxes Levied for:						
General Purposes				37,915,928	-	37,915,928
Debt Service				2,934,501	-	2,934,501
Grants & Entitlements not Restricted to Specific Progr				16,102,786	-	16,102,786
Payment in Lieu of Taxes				1,688,835	-	1,688,835
Investment Earnings				1,331,365	3,868	1,335,233
Miscellaneous				58,169	-	58,169
Total General Revenues				60,031,584	3,868	60,035,452
Change in Net Assets						
Net Assets Beginning of Year				(6,534,451)	(37,918)	(6,572,369)
Net Assets End of Year				42,648,674	224,612	42,873,286
				\$36,114,223	\$186,694	\$36,300,917

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Balance Sheet
Governmental Funds
as of June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 21,706,283	\$ 3,731,252	\$ 998,672	\$ 26,436,207
Cash and cash equivalents, restricted	1,000,303	-	-	1,000,303
Receivables (net of allowances for uncollectibles)				
Taxes - Current	62,044,556	5,130,242	-	67,174,798
Taxes - Delinquent	2,762,442	228,416	-	2,990,858
Accounts	1,195,134	-	707	1,195,841
Accrued Interest	472,395	-	2,469	474,864
Intergovernmental - State	-	-	10,830	10,830
Intergovernmental - Federal	-	-	336,501	336,501
Interfund loans receivable	175,248	-	-	175,248
Prepaid Assets	29,588	-	120	29,708
Total assets	<u>89,385,949</u>	<u>9,089,910</u>	<u>1,349,299</u>	<u>99,825,158</u>
Liabilities:				
Accounts Payable	368,551	-	122,154	490,705
Accrued Wages and Benefits	6,029,322	-	206,854	6,236,176
Interfund loans payable	-	-	175,248	175,248
Due to Other Governments	1,695,784	-	70,168	1,765,952
Matured Leave Benefits Payable	123,626	-	-	123,626
Deferred Revenue	55,558,983	4,588,341	266,503	60,413,827
Notes Payable	-	-	411,342	411,342
Total Liabilities	<u>63,776,266</u>	<u>4,588,341</u>	<u>1,252,269</u>	<u>69,616,876</u>
Fund Balances				
Reserved				
Encumbrances	1,771,705	-	293,902	2,065,607
Prepaid Assets	29,588	-	120	29,708
For future years appropriations	9,316,122	770,317	-	10,086,439
Budget stabilization	1,000,303	-	-	1,000,303
Unreserved, Reported in:				
General fund	13,491,965	-	-	13,491,965
Special Revenue funds	-	-	188,658	188,658
Debt Service fund	-	3,731,252	-	3,731,252
Capital Projects fund	-	-	(385,650)	(385,650)
Total fund balances	<u>25,609,683</u>	<u>4,501,569</u>	<u>97,030</u>	<u>30,208,282</u>
Total liabilities and fund balances	<u>\$ 89,385,949</u>	<u>\$ 9,089,910</u>	<u>\$ 1,349,299</u>	<u>\$ 99,825,158</u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2006

Total Governmental Fund Balances	\$30,208,282
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	30,816,439
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	3,325,468
Bond issuance costs are amortized over the life of the bonds. These costs are expensed in the funds.	136,745
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	1,638,153
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Interest Payable	(100,939)
Compensated Absences	(5,247,907)
General Obligation Debt	(24,662,018)
	<u>(30,010,864)</u>
Net Assets of Governmental Activities	<u>\$36,114,223</u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources				
Taxes	\$ 37,716,804	\$ 2,979,396	\$ -	\$ 40,696,200
Tuition	190,516	-	-	190,516
Other local	2,103,258	-	624,788	2,728,046
Intergovernmental - State	15,888,689	365,102	1,655,322	17,909,113
Intergovernmental - Federal	18,453	-	1,624,961	1,643,414
Investment Income	1,353,460	-	19,508	1,372,968
Other revenue	58,169	-	-	58,169
Total Revenues	<u>57,329,349</u>	<u>3,344,498</u>	<u>3,924,579</u>	<u>64,598,426</u>
Expenditures:				
Current:				
Instruction				
Regular	33,205,914	-	241,257	33,447,171
Special	8,018,470	-	522,636	8,541,106
Vocational	870,153	-	-	870,153
Support Services				
Pupils	2,981,949	-	298,922	3,280,871
Instructional Staff	2,493,494	-	739,151	3,232,645
General Administration	29,470	-	-	29,470
School Administration	5,564,583	-	213,117	5,777,700
Fiscal Services	905,631	26,559	-	932,190
Business	-	-	15,369	15,369
Maintenance	5,210,499	-	6,634	5,217,133
Pupil Transportation	2,122,912	-	-	2,122,912
Central	279,553	-	50,429	329,982
Community Services	-	-	1,314,358	1,314,358
Extra Curricular Activities	761,411	-	429,064	1,190,475
Miscellaneous	-	-	42,792	42,792
Capital Outlay	1,235,821	-	721,961	1,957,782
Debt Service:				
Principal Retirement	322,290	3,035,000	-	3,357,290
Interest and Fiscal Charges	43,433	665,005	-	708,438
Total Expenditures	<u>64,045,583</u>	<u>3,726,564</u>	<u>4,595,690</u>	<u>72,367,837</u>
Excess (deficiency) of revenue over (under) expenditures	(6,716,234)	(382,066)	(671,111)	(7,769,411)
Other Financing (Sources) Uses				
Refunding bonds issued	-	9,119,993	-	9,119,993
Refunding Issuance Costs	-	(143,470)	-	(143,470)
Payment to refunded bonds escrow	-	(9,437,123)	-	(9,437,123)
Premium on refunded bonds escrow	-	460,600	-	460,600
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund balances	(6,716,234)	(382,066)	(671,111)	(7,769,411)
Fund balances, July 1	32,325,917	4,883,635	768,141	37,977,693
Fund balances, June 30	<u>\$ 25,609,683</u>	<u>\$ 4,501,569</u>	<u>\$ 97,030</u>	<u>\$ 30,208,282</u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, 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, 2006

Net Change in Fund Balances - Total Governmental Funds (\$7,769,411)

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. This is the amount by which depreciation exceeded capital outlays in the current period. (917,991)

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

Taxes	154,229
Interest	(58,650)
Intergovernmental	266,503

Repayment of long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities. 3,357,290

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 20,647

In the statements of activities, accretion on capital appreciation bonds is expensed, whereas in governmental funds it would be an expenditure when due. (360,299)

In the statements of activities, amortization of issuance costs, premium on bonds payable and accountings gain/loss is expensed over the life of the bonds. (10,353)

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

Compensated Absences	(1,136,902)
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The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (79,514)

Change in Net Assets of Governmental Activities (\$6,534,451)

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended
June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Fund				
Revenues:				
Taxes	\$36,861,828	\$37,840,246	\$37,840,246	\$0
Intergovernmental - State	14,717,696	15,888,689	15,888,689	0
Intergovernmental - Federal	25,000	18,453	18,453	0
Interest on Investments	840,000	958,061	958,061	0
Tuition and Fees	711,450	387,188	387,188	0
Other Local Sources	1,744,700	1,540,532	1,540,532	0
Miscellaneous	16,000	49,392	49,392	0
Total Revenues	<u>54,916,674</u>	<u>56,682,561</u>	<u>56,682,561</u>	<u>0</u>
Expenditures:				
Current:				
Salaries and wages	42,045,133	42,879,228	42,631,650	247,578
Fringe benefits	10,980,888	11,435,076	11,299,700	135,376
Purchased Services	5,478,379	6,212,503	6,700,969	(488,466)
Supplies	1,777,464	2,116,333	2,008,231	108,102
Miscellaneous expenses	1,749,500	1,708,093	1,298,161	409,932
Debt Service:				
Principal	322,290	322,290	322,290	0
Interest	43,433	43,433	43,433	0
Capital Equipment	1,113,416	1,248,352	1,454,052	(205,700)
Total Expenditures	<u>63,510,503</u>	<u>65,965,308</u>	<u>65,758,486</u>	<u>206,822</u>
Excess of Revenues over(under) Expenditures	<u>(8,593,829)</u>	<u>(9,282,747)</u>	<u>(9,075,925)</u>	<u>206,822</u>
Other Financing Sources (Uses)				
Transfers in	0	12,297	12,297	0
Transfers (out)	0	(15,000)	(12,297)	2,703
Advances in	400,000	278,015	278,015	0
Advances (out)	0	(175,248)	(175,248)	0
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>100,064</u>	<u>102,767</u>	<u>2,703</u>
Net Change in Fund Balance	<u>(8,193,829)</u>	<u>(9,182,683)</u>	<u>(8,973,158)</u>	<u>209,525</u>
Fund Balance, July 1	27,767,686	27,767,686	27,767,686	\$0
Prior Year Encumbrances Appropriated	1,856,740	1,856,740	1,856,740	0
Fund Balance, June 30	<u>\$21,430,597</u>	<u>\$20,441,743</u>	<u>\$20,651,268</u>	<u>\$209,525</u>

The notes to the financial statements are an integral part of this statement

Gahanna-Jefferson City School District, Ohio
Statement of Net Assets
Proprietary Funds
as of June 30, 2006

	Business - Type Activities NonMajor <u>Enterprise Funds</u>	Governmental Activities - Internal Service <u>Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 336,058	\$ 2,070,039
Receivables (net of allowances for uncollectibles)		
Accounts	3,692	-
Interest	839	1,246
Intergovernmental - Federal	57,303	-
Materials and Supplies Inventory	21,084	-
Total Current Assets	<u>418,976</u>	<u>2,071,285</u>
Capital Assets, Net	<u>133,243</u>	<u>-</u>
Total Assets	<u>552,219</u>	<u>2,071,285</u>
Liabilities:		
Accounts Payable	3,578	-
Claims Payable	-	433,132
Accrued Wages and Benefits	111,697	-
Due to Other Governments	111,126	-
Compensated Absences Payable	11,085	-
Unearned Revenue	40,382	-
Total Current Liabilities	<u>277,868</u>	<u>433,132</u>
Long-Term Liabilities		
Compensated Absences Payable	<u>87,657</u>	<u>-</u>
Total Liabilities	<u>365,525</u>	<u>433,132</u>
Net Assets		
Invested in Capital Assets	133,243	-
Unrestricted	<u>53,451</u>	<u>1,638,153</u>
Total Net Assets	<u>\$ 186,694</u>	<u>\$ 1,638,153</u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

	Business - Type Activities NonMajor <u>Enterprise Funds</u>	Governmental Activities Internal Service <u>Fund</u>
Operating Revenues		
Tuition and Fees	\$ 185,368	\$ -
Sales	1,430,300	-
Charges for Services	-	5,780,561
Other Operating Revenue	24,432	-
Total Operating Revenues	<u>1,640,100</u>	<u>5,780,561</u>
Operating Expenses		
Salaries & Wages	946,954	-
Fringe Benefits	278,861	-
Purchased Services	23,147	5,877,122
Material & Supplies	851,670	-
Depreciation	25,661	-
Other Operating Expenses	13,356	-
Total Operating Expenses	<u>2,139,649</u>	<u>5,877,122</u>
Operating Loss	(499,549)	(96,561)
Non-Operating Revenues		
Operating grants	457,763	-
Interest	3,868	17,047
Total Non-Operating Revenues	<u>461,631</u>	<u>17,047</u>
Change in Net Assets	(37,918)	(79,514)
Net Assets Beginning of Year	224,612	1,717,667
Net Assets End of Year	<u><u>\$ 186,694</u></u>	<u><u>\$ 1,638,153</u></u>

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2006

	Business - Type Activities NonMajor <u>Enterprise Funds</u>	Governmental Activities - Internal Service <u>Fund</u>
Cash flows from operating activities :		
Cash received from tuition and fees	\$ 188,470	\$ -
Cash received from sales	1,430,493	-
Cash received from charges for services	-	5,780,561
Other cash receipts	24,432	-
Cash payments for personal services	(1,211,041)	-
Cash payments for contract services	(23,653)	(5,877,619)
Cash payments for supplies and materials	(778,744)	-
Cash payments for other expenses	(13,426)	-
Net cash used for operating activities	<u>(383,469)</u>	<u>(97,058)</u>
 Cash flows from noncapital financing activities :		
Advances in (out)	(241)	-
Cash from operating grants	378,887	-
Net cash from noncapital financing activities	<u>378,646</u>	<u>-</u>
 Cash flows from investing activities:		
Interest on Investments	3,581	15,801
Net cash from investing activities	<u>3,581</u>	<u>15,801</u>
 Net increase (decrease) in cash and cash equivalents :	(1,242)	(81,257)
 Cash and cash equivalents at beginning of year	337,300	2,151,296
Cash and cash equivalents at end of year	<u>336,058</u>	<u>2,070,039</u>
 Reconciliation of operating loss to net cash Used for operating activities:		
Operating loss	(499,549)	(96,561)
 Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	25,661	-
Commodities expense related to noncash grant	68,291	-
Changes in assets and liabilities:		
Accounts receivable	1,364	-
Supplies inventory	3,728	-
Claims payable	-	(497)
Accounts payable	331	-
Accrued wages and benefits	(13,333)	-
Due to other governments	12,286	-
Compensated absences	4,736	-
Matured leave benefits payable	11,085	-
Unearned revenue	1,931	-
Net cash provided (used) by operating activities	<u>\$ (383,469)</u>	<u>\$ (97,058)</u>

Schedule of Noncash Financing Activities

The Food Service Fund received \$ 68,291 of donated commodities.

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Statement of Fiduciary Net Assets
as of June 30, 2006

	<u>Private-Purpose Trust</u>	<u>Agency</u>
Assets:		
Cash and Cash Equivalents	\$ 106,106	\$ 178,980
Receivables (net of allowances for uncollectibles)		
Accounts	-	7,396
Interest	61	-
Materials and Supplies Inventory	-	38,152
Total assets	106,167	224,528
Liabilities:		
Accounts Payable	1,135	4,513
Due to Other Governments	-	4
Due to Students	-	220,011
Total Liabilities	1,135	\$ 224,528
Net Assets	\$ 105,032	

Gahanna-Jefferson City School District, Ohio
Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2006

	<u>Private-Purpose Trust</u>
Additions	
Gifts and Contributions	\$ 40,131
Interest	460
Total	\$ 40,591
Deductions	
Scholarships Awarded	44,758
Change in Net Assets	(4,627)
Net Assets Beginning of Year	109,199
Net Assets End of Year	\$ 104,572

The notes to the financial statements are an integral part of this statement.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(1) **Description of the District and Reporting Entity**

The District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five member board and is responsible for the provision of public education to residents of the District. The Board controls the District's thirteen instructional/support facilities staffed by 242 non-certificated employees, 506 certificated full time-teaching personnel and 36 administrative employees to provide services to approximately 6,941 students and other community members.

Reporting Entity

According to Government Accounting Standards Board (GASB) Statements No. 14 and 39, a reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. The District has no component units.

(2) **Summary of Significant Accounting Policies**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) as applied to governmental units prescribed in the statements issued by the GASB and other recognized authoritative sources. The District has elected, under GASB Statement No. 20, to apply Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, except those that conflict with a GASB pronouncement to its enterprise funds, internal service fund, governmental activities and business-type activities.

A. Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Major Governmental Funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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

Other Governmental Funds:

Special Revenue Funds – The Special Revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

Capital Project Fund – The Capital Project fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by enterprise funds)

NonMajor Enterprise Funds:

Food Service Fund – The Food Service Fund is used to account for all financial transactions related to the food service operation.

Special Rotary Fund – The Special Rotary Fund is used to account for the transactions made in connection with supplemental education classes and the job-training program.

Community Recreation – The Community Recreation fund is used to account for the financial transactions regarding community summer camp activities.

Other Fund Types:

Internal Service Fund – The Internal Service Fund is used to account for the financing of goods or services provided by the Self-Insurance Fund to other departments or agencies of the District on a cost-reimbursement basis. Payments are made to a third party administrator for claims, premiums, administration fees and stop-loss coverage.

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds and cannot be used to support the government's own programs. These include private-purpose trust and agency funds. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement, and are accounted for in essentially the same manner as proprietary funds. Agency funds are purely custodial and thus do not involve measurement of results of operations.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

B. Basis of Presentation

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between governmental and business-type activities of the District.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities, and 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.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and enterprise 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. The Internal Service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and private-purpose trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net assets. Fund equity (i.e., net total assets) is segregated into amounts

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

invested in capital assets and unrestricted components. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (expenses) in net total assets.

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

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenues, Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, tuition, grants and student fees.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities to the extent they are due for payment in the current year.

D. Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund's portion of this pool is displayed in the financial statements as cash and cash equivalents. The monies are either maintained in a central bank account or used to purchase legal investments. The District has a segregated bank account for the self insurance internal service fund held separate from the District's central bank account.

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

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations; bank certificates of deposit; banker's acceptances; commercial paper notes rated prime and issued by United States corporations; and STAROhio. It is management's policy to permit investments in all of the above types of investments. Under existing Ohio statutes, all investment earnings accrue to the general and food service funds except certain trust funds and those funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balances. Investment income credited to the general fund during the fiscal year amounted to \$1,353,460, which includes \$248,304 assigned from other District funds. The auxiliary services fund, building fund, food service fund, private purpose trust fund, and the self-funded insurance fund also received interest revenue of \$19,257, \$251, \$3,868, \$460 and \$17,047 respectively.

E. Inventory

On government-wide and enterprise financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used.

For all funds, inventories are determined by physical count. Inventories of proprietary funds consist of donated and purchased food.

F. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than 1 year. The District does not possess any infrastructure.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

All reported capital assets, with the exception of 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>Useful Life</u>
Land Improvements	20
Buildings & Improvements	20 - 50
Equipment and Fixtures	5 - 15
Buses and Vehicles	8
Books-Educational Media	6

G. Interfund Activity

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as matured leave benefits payable to the extent that payments come due each period upon occurrence of resignation and retirement. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

I. Accrued Liabilities and Long-term Debt

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

For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, compensated absences paid from governmental funds (typically the General fund) are reported as a liability in the fund financial statements to the extent that payments come due each period upon occurrence of resignation and retirement. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

J. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore not available for appropriation. Unreserved fund balance indicates the portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, prepaids, future years appropriations and budget stabilization.

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

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(3) **Deposits and Investments**

State statutes require the classification of monies held by the District into three categories.

Active Monies - Those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdraw able on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current five year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies - 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. Ohio law permits interim monies to be invested in legal securities (see Note 2D).

Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets.

Deposits

At year end, the carrying amount of the District's deposits was \$3,322,673 and the bank balance was \$3,669,682. Of the bank balance, \$100,000 was covered by federal depository insurance and \$3,569,682 was uninsured. The entire bank balance was collateralized.

Custodial credit risk is the risk, that in the event of bank failure, the District's deposits may not be returned to it. Protection of District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105% of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. The District does not have a policy for custodial credit risk of deposits beyond the requirements of state law.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

Investments - Investments are reported at fair value, except those with a maturity of less than one year when purchased which are reported at cost or amortized cost. As of June 30, 2005, the District had the following investments:

	Fair Value	Weighted Average Maturity (Years)
FNMA	8,790,371	0.74 *
FHLMC	9,690,469	0.64 *
Money Market	1,819,163	
STAR Ohio	<u>6,505,017</u>	
Total Fair Value	\$ <u>26,805,020</u>	

Portfolio Weighted Average Maturity 0.49

*- The securities have various call dates. The District believes no securities will be called.

Interest Rate Risk

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District does not have a policy for interest rate risk beyond the requirements of state law.

Credit Risk

The District's investments at June 30, 2006 in FNMA and FHLMC are rated AAA by Standard & Poor's. Its investments in Money Market Fund and Star Ohio are rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. More than 5% of the District's investments are in FNMA and FHLMC. These investments are 32.8% and 36.1% respectively, of the District's total investments, for the amounts listed above. Additionally, investments in the Money Market account with Huntington Bank and Star Ohio were 6.8% and 24.3% of the total amount respectively.

Custodial credit risk of investments

Federal agency securities in the amount of \$17,474,835 are at risk because the investments are in the custody of the broker dealer. The District does not have a policy for custodial credit risk of investments beyond the requirements of state law.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(4) **Interfund Transactions**

Interfund balances on the fund statements as of June 30, 2006 consist of the following receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ 175,248	
Other Governmental funds		<u>175,248</u>
Total	<u>\$ 175,248</u>	<u>\$ 175,248</u>

Advances were made to eliminate deficits in various funds at the end of fiscal year 2006.

(5) **Property Taxes**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Taxpayers remit payment to Franklin County, which then distributes funds to the District on settlement dates that vary each year. The District, through board resolution, may request that the county advance 90% of amounts collected on a weekly basis through the collection period.

Real property taxes and public utility taxes are levied in April on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Settlement dates for real property taxes generally occur during the months of February and August but on occasion run into the following month. Amounts certified by the county auditor prior to June 30 are available to the District as an advance and should therefore be recognized as revenue in the current fiscal year.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

Public utility property taxes are assessed on tangible personal property at 25% of true value (with certain exceptions) and on real property at 35% of true value. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Tangible personal property taxes are levied in April on the value listed as of December 31 of the current year. Tangible personal property settlements are 25% of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Settlement dates for tangible personal property taxes generally occur during the months of October and June.

The assessed values upon which fiscal year 2006 taxes were collected are:

	<u>2005 Second Half Collections</u>	<u>2006 First Half Collections</u>
Real Estate		
Residential/ Agricultural	\$ 887,534,850	\$ 1,065,688,660
Commercial	239,451,130	261,172,750
General	90,326,924	76,266,891
Public Utility	<u>31,016,870</u>	<u>35,186,390</u>
Total	<u>\$ 1,248,329,774</u>	<u>\$ 1,438,314,691</u>

Accrued property taxes receivable represent taxes outstanding for real property, personal property and public utility taxes, and are offset by a credit to deferred revenue. Amounts from the August settlement are not intended to finance current fiscal year operations and, therefore have been recorded as a receivable offset by deferred revenue to the extent these amounts were not available as advances at June 30, 2006.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(6) **Receivables**

Receivables as of June 30, 2006 consisted of taxes, accounts (rent and student fees), 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 the principal items of receivables follows:

	<u>Amount</u>
Governmental Activities	
Taxes - Current & Delinquent	\$ 70,165,656
Accounts	1,195,841
Accrued Interest	476,110
Intergovernmental- State	10,830
Intergovernmental- Federal	336,501
Business-Type Activities	
Accounts	3,692
Accrued Interest	839
Intergovernmental - Federal	<u>57,303</u>
Total Receivables	<u>\$ 72,246,772</u>

Of the governmental activities taxes receivables total, \$25,285,118 is not expected to be collected in fiscal year 2007.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(7) **Capital Assets**

A summary of capital asset activity during the fiscal year follows:

	<u>Balance</u> <u>06/30/05</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/06</u>
Capital Assets used in:				
<i>Governmental Activities</i>				
Nondepreciable Capital Assets				
Land	\$ 2,166,159	\$ 85,900	\$ 0	\$ 2,252,059
Total Nondepreciable Capital Assets	<u>2,166,159</u>	<u>85,900</u>	<u>0</u>	<u>2,252,059</u>
Depreciable Capital Assets:				
Land improvements	\$ 5,800,361	\$ 15,000	\$ 0	\$ 5,815,361
Building and Improvements	55,544,760	331,644	0	55,876,404
Equipment & Fixtures	5,780,251	718,223	580,968	5,917,506
Buses and Vehicles	2,522,890	123,000	2,000	2,643,890
Books-Educational Media	2,595,891	177,059	0	2,772,950
Total Depreciable Capital Assets	<u>\$ 72,244,153</u>	<u>\$ 1,364,926</u>	<u>\$ 582,968</u>	<u>\$ 73,026,111</u>
Less Accumulated Depreciation:				
Land improvements	\$ 3,777,061	\$ 217,379	\$ 0	\$ 3,994,440
Building and Improvements	31,100,296	1,390,161	0	32,490,457
Equipment & Fixtures	3,714,075	494,478	573,173	3,635,380
Buses and Vehicles	2,058,617	121,203	2,000	2,177,820
Books-Educational Media	2,025,833	137,801	0	2,163,634
Total Accumulated Depreciation	<u>\$ 42,675,882</u>	<u>\$ 2,361,022</u>	<u>\$ 575,173</u>	<u>\$ 44,461,731</u>
Depreciable Capital Assets, Net	<u>\$ 29,568,271</u>	<u>\$ (996,096)</u>	<u>\$ 7,795</u>	<u>\$ 28,564,380</u>
Total Capital Assets	<u>\$ 31,734,430</u>	<u>\$ (910,196)</u>	<u>\$ 7,795</u>	<u>\$ 30,816,439</u>
	<u>Balance</u> <u>06/30/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>06/30/05</u>
<i>Business Type-Activities</i>				
Equipment & Fixtures	\$ 533,307	\$ 0	\$ 0	\$ 533,307
Less: Accumulated Depreciation	374,403	25,661	0	400,064
Capital Assets, Net	<u>\$ 158,904</u>	<u>\$ (25,661)</u>	<u>\$ 0</u>	<u>\$ 133,243</u>

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

* Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,933,633
Special	15,276
Vocational	4,756
Support Services:	
Pupil	2,808
Instructional Staff	25,304
School Administration	13,845
Board of Education	271
Fiscal Services	3,021
Business	12,033
Operations & Maintenance	52,103
Pupil Transportation	115,574
Central	15,684
Community Services	77,845
Extracurricular Activities	<u>88,869</u>
 Total Depreciation Expense	 <u>\$2,361,022</u>

(8) **Long-Term Debt**

A. General Obligation Bonds

The following is a description of the District's bonds outstanding as of June 30, 2006:

<u>Issue</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Accretion In 2006</u>	<u>Retired 6/30/06</u>	<u>Bonds Outstanding</u>
1	6.40%	03/15/93	12/01/13	\$13,790,160	\$333,510	\$1,060,000	\$5,369,540
2	5.00%	03/10/99	12/01/21	28,547,797		1,975,000	9,460,000
3	5.38%	06/25/97	04/15/07	222,000		26,000	27,000
4	4.15%	10/04/05	12/01/21	9,119,993	<u>26,789</u>	<u>0</u>	<u>9,146,782</u>
					\$360,299	\$3,061,000	\$24,003,322

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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

Year Ending June 30	Principal	Interest	Total
2007	\$ 2,031,050	\$ 1,081,491	\$ 3,112,541
2008	1,975,554	1,002,600	2,978,154
2009	1,913,695	921,986	2,835,681
2010	1,844,065	839,428	2,683,493
2011	1,796,607	755,081	2,551,688
2012-2016	6,937,351	2,549,533	9,486,884
2017-2021	6,225,000	866,641	7,091,641
2022	1,280,000	25,600	1,305,600
Total	\$ 24,003,322	\$ 8,042,360	\$ 32,045,682

B. Long-Term Liabilities

The following changes occurred in long-term liabilities during the year.

	Balance July 1, 2005	Increase	Decrease	Balance June 30, 2006	Amounts Due In One Year
Governmental Activities					
General Obligation Debt	\$ 26,584,030	\$9,480,292	\$12,061,000	\$ 24,003,322	\$ 2,031,050
Premium On 2005 Bonds	0	460,600	21,591	439,009	0
Accounting Loss On 2005 Bonds	0	(437,123)	(25,219)	(411,904)	0
Installment Loan – Buses	82,881		26,290	56,591	27,605
HB 264 Notes Payable	845,000		270,000	575,000	280,000
Compensated Absences	<u>4,111,005</u>	<u>1,136,902</u>	<u>0</u>	<u>5,247,907</u>	<u>33,327</u>
Total Governmental Activities	\$ 31,622,916	\$10,640,671	\$12,353,662	\$ 29,909,925	\$ 2,371,982
Business-Type Activities					
Compensated Absences	<u>\$ 82,921</u>	<u>\$ 15,821</u>	<u>\$ 0</u>	<u>\$ 98,742</u>	<u>\$ 11,085</u>

Additions and deletions of accrued vacation and sick leave are shown net, since it is impracticable for the District to determine these amounts separately.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

C. 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 effects of these debt limitations as of June 30, 2006 are a voted debt margin of \$104,786,304 and an unvoted debt margin of \$1,438,315.

D. Defeasance

During the current year, the District issued general obligation refunding bonds (Issue #4) to advance refund a portion of general obligation issues from 1999 series building Issue # 2. The advance refunding reduced cash flows required for debt service by \$512,286 over the next 14 years. The amount of defeased debt outstanding at June 30, 2006 is \$9,120,000.

(9) **Bond Anticipation Notes Payable**

The District issued a bond anticipation note (BAN) to fund land acquisition for a future school site. The BAN was issued on August 16, 2005 in the amount of \$411,342 with an interest rate of 3.75% and maturity date of August 10, 2006.

(10) **Notes Payable & Installment Loan**

The District issued notes for a House Bill 264 energy conservation project on June 25, 1998 with an interest rate of 4.25%. The notes outstanding as of June 30, 2006, are \$575,000 and have a final maturity of June 1, 2008.

The District entered into an installment loan to purchase school buses on May 26, 1998 with an interest rate of 4.94%. The balance on the loan at June 30, 2006 is \$56,591 with periodic payments until final maturity on May 27, 2008.

A summary of the debt schedules for these debt instruments follows:

<u>Year ending June 30</u>	<u>HB 264 Note</u>		<u>Installment Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	280,000	25,160	27,605	2,459
2008	<u>295,000</u>	<u>12,980</u>	<u>28,986</u>	<u>1,078</u>
Total	<u>\$575,000</u>	<u>\$38,140</u>	<u>\$56,591</u>	<u>\$3,537</u>

(11) **Risk Management**

The District is exposed to various risks of loss related to torts, theft, or damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

During fiscal year 2006, the District contracted with Indiana Insurance Co. for general liability insurance with a \$4,000,000 single occurrence limit and a \$6,000,000 aggregate. Vehicles are also covered by Indiana Insurance Co. and have a \$500 deductible for comprehensive and \$500 for collision. Automobile liability has a \$4,000,000 combined single limit of liability. Property is protected with a \$5,000 deductible which is an increase of \$4,000 during the fiscal year. Settled claims have not exceeded this coverage in any of the past three years.

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

A claims liability of approximately \$433,132 as of June 30, 2006 in the Self Insurance Internal Service Fund reflects an estimate of incurred but unpaid claims liability. This liability was estimated by a third party based on claims experience. The District has purchased stop loss coverage for individual employee claim amounts exceeding \$125,000. A summary of the changes in the self-insurance claims liability for the years ended June 30 as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Claims liability at July 1	\$ 433,629	\$ 563,935	\$ 489,344
Incurred claims	4,468,581	4,521,767	4,453,018
Claims paid	<u>(4,469,078)</u>	<u>(4,652,073)</u>	<u>(4,378,427)</u>
Claims liability at June 30	\$ 433,132	\$ 433,629	\$ 563,935

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

(12) **Defined Benefit Pension Plans**

A. School Employees Retirement System

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

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

www.ohsers.org

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.58% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by SERS' Retirement Board. The District's contributions to SERS for the years ending June 30, 2006, 2005, and 2004 were \$1,081,836, \$974,604, and \$866,184 respectively, 67 percent has been contributed for fiscal year 2006 and 100 percent for fiscal year 2005 and 2004.

B. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members, and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090 or by visiting the STRS Ohio website at www.strsoh.org.

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

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

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

For the fiscal year ended June 30, 2006, members were required to contribute 10% of their annual covered salary and the District was required to contribute 14%; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$5,126,292, \$4,940,964, and \$4,740,696 respectively, equal to the required contributions for each year.

(13) **Post-Employment Benefits**

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$366,164 for fiscal year 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, compared to 3.43 percent of covered payroll for fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2006 fiscal year equaled \$459,235.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available) were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

(14) **Budgetary Basis of Accounting**

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The adjustments necessary to reconcile between the budget basis and GAAP basis are as follows:

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

**Net Change in Fund Balance
General Fund**

Budget Basis	\$ (8,973,158)
Adjustments (net):	
Revenue Accruals	646,788
Expenditure Accruals	(58,802)
Encumbrances	1,771,705
Interfund Transactions	(<u>102,767</u>)
 GAAP Basis	 \$ (<u>6,716,234</u>)

(15) **Individual Fund Deficits**

As of June 30, 2006, the following funds had a deficit fund balance:

Entry Year	(\$ 49)
Poverty Based Assistance	(1,142)
Other State	(2,382)
IDEA – B	(135,356)
Title I	(1,983)
Title V	(8,043)
Building	(385,650)
Food Service	(47,798)

The deficit balances are the result of the application of GAAP. The general fund provides transfers/advances to cover individual fund deficit balances; however this is done when cash is needed rather than when accruals occur.

(16) **Set-asides and Fund Reserves**

Senate Bill 345 established set aside requirements for textbooks and capital acquisition. The base used for calculation consists of the State Foundation per pupil formula amount multiplied by the District's student population. The textbooks and capital acquisition set aside requirements for fiscal year 2006 were set at 3%. The District is required, for the textbook and capital set asides, to spend an amount greater than or equal to the required amount or reserve fund balance for any unspent amount. The amount for textbook and capital set asides for fiscal year 2006 was calculated to be \$1,015,623. The District had qualifying expenditures in excess of the requirements for capital acquisition and for textbook and materials; therefore a fund balance reservation was not required.

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

(17) **Contingencies**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure 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 should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2006.

B. Litigation

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

(18) **Jointly Governed Organizations and Joint Operation**

A. Jointly Governed Organizations

Metropolitan Educational Council (MEC) – The District is a participant in the MEC. MEC is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MEC consists of one representative from each of the member school districts. Financial information can be obtained from Denise Canfield, who serves as fiscal officer, at 2100 Citygate Drive, Columbus, Ohio 43219. Payments during the 2006 fiscal year amounted to \$158,036.

The Eastland Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating district's elected boards, which possesses its own budgeting and taxing authority. The District is a member of this organization. Financial information can be obtained from Dawn Lemley, who serves as Treasurer, at 4300 Amalgemated Place, Groveport, Ohio 43125. Payments during the 2006 fiscal year amounted to \$16,190.

B. Joint Operation

On February 21, 1996, a contract was entered into between the District's Board of Education (District) and the City of Gahanna (City), a separate legal entity, to construct and operate a vehicle maintenance facility and fueling station. Based on the terms of the agreement, the entities equally bore the cost related to the construction of the maintenance facility. In addition, the City received a credit, in 2000, of \$187,960 on the construction of this facility, representing the fair value of the 4.699 acres of land that the City deeded to the District for this Capital Project. The District's total

Gahanna-Jefferson City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2006

cost for construction in 2000 was \$1,234,694, which is included in the District's governmental activities as Building. In addition, the land deeded to the District was also recorded in governmental activities. Payments during the 2006 fiscal year amounted to \$5,079.

(19) **Insurance Purchasing Pool**

For fiscal year 2006, the District participated in the Ohio Association of School Business Officials Workers' Compensation Program (Program). The intent of the Program is to achieve the benefit of a reduced premium for the District by virtue of its grouping with other participants in the Program. The workers' compensation experience of the District is still used to calculate an individual premium rate, but a discount is given to the District for being part of the group. The firm of GatesMcDonald Group provides administrative services to the Program.

**COMBINING STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES**



Gahanna-Jefferson City School District
Combining Schedules and Individuals Fund Schedules

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General Fund				
Total Revenues and Other Sources	\$55,316,674	\$56,972,873	\$56,972,873	\$0
Total Expenditures and Other Uses	<u>63,510,503</u>	<u>66,155,556</u>	<u>65,946,031</u>	<u>209,525</u>
Net Change in Fund Balance	(8,193,829)	(9,182,683)	(8,973,158)	209,525
Fund Balance, July 1	27,767,686	27,767,686	27,767,686	0
Prior Year Encumbrances Appropriated	1,856,740	1,856,740	1,856,740	0
Fund Balance, June 30	<u>\$21,430,597</u>	<u>\$20,441,743</u>	<u>\$20,651,268</u>	<u>\$209,525</u>

Gahanna-Jefferson City School District
Combining Schedules and Individuals Fund Schedules

Debt Service

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

Gahanna-Jefferson City School District, Ohio
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Debt Service Fund				
Total Revenues and Other Sources	\$5,025,743	\$3,916,322	\$13,161,256	\$9,244,934
Total Expenditures and Other Uses	<u>4,200,137</u>	<u>4,200,137</u>	<u>13,307,157</u>	<u>(9,107,020)</u>
Net Change in Fund Balance	825,606	(283,815)	(145,901)	137,914
Fund Balance, July 1	3,877,153	3,877,153	3,877,153	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$4,702,759</u></u>	<u><u>\$3,593,338</u></u>	<u><u>\$3,731,252</u></u>	<u><u>\$137,914</u></u>

Gahanna-Jefferson City School District
Combining Statements and Individual Fund Schedules

The District's non-major funds consist of special revenue funds and a capital project fund, therefore the combining statements for non-major funds are titled "Non-major Governmental Funds". A brief description of each fund is below.

Non-major Governmental Funds

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

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

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

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

District Managed Activities – A fund 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, the drama program, etc.

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

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

Entry Year Program – A fund used for beginning teachers via mentors to achieve higher standards, and intensify professional development.

Poverty Based Assistance – A fund used to account for revenues and expenditures related to monies provided by the State of Ohio, Department of Education for disadvantaged pupil impact aid.

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

SchoolNet Professional Development – A fund provided to account for a limited number of professional development subsidy grants. This fund was budgeted as a capital projects fund.

Textbook Subsidy – A fund provided to account for moneys received from the state for textbooks, instructional software, instructional materials, and any other materials the District deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Ohio Reads – A fund intended to 1) improve reading outcomes, especially on the fourth grade reading proficiency test and 2) for volunteer coordinators in public school buildings, for educational service centers for costs associated with volunteer coordination and for operating expenses associated with administering the program.

Summer Intervention – A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

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

Other State Grants – A fund used to account for the revenues and expenditures related to grants received from miscellaneous state organizations.

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

Title III – A fund, which accounts for limited English proficiency.

Title I – A fund, which accounts for Federal funds used to meet the special needs of educationally deprived children.

Title V – A fund, which accounts for innovative programs as part of the Elementary and Secondary Education Act (ESEA) reauthorization.

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

FCC E-Rate – A fund used to account for a federal grant, which is paid directly to the telecommunication service provider.

Title II-A – A fund using state grants for improving teacher quality (formerly known as Eisenhower Math Science and Class Size Reduction).

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

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

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Gahanna-Jefferson City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	<u>Public School Support</u>	<u>Other Local Grants</u>	<u>Library Automation</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>
Assets:					
Cash and investments	\$ 104,095	\$27,883	\$ 13,252	\$ 187,360	\$ 426,649
Receivables (net of allowances for uncollectibles)					
Accounts	350	-	-	357	-
Interest	-	-	-	-	2,443
Intergovernmental - State	-	-	-	-	-
Intergovernmental - Federal	-	-	-	-	-
Prepaid Assets	-	-	-	-	120
Total assets	<u>104,445</u>	<u>27,883</u>	<u>13,252</u>	<u>187,717</u>	<u>429,212</u>
Liabilities:					
Accounts Payable	-	-	-	1,010	43,934
Accrued wages and benefits	-	-	-	-	80,105
Interfund Loans	-	-	-	-	-
Due to other governments	40	2	-	278	24,336
Notes Payable	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>40</u>	<u>2</u>	<u>-</u>	<u>1,288</u>	<u>148,375</u>
Fund Balances:					
Reserved for encumbrances	3,546	204	-	10,317	69,378
Reserved for prepaid assets	-	-	-	-	120
Unreserved, Undesignated	100,859	27,677	13,252	176,112	211,339
Total fund balances	<u>104,405</u>	<u>27,881</u>	<u>13,252</u>	<u>186,429</u>	<u>280,837</u>
Total liabilities and fund balances	<u>\$ 104,445</u>	<u>\$27,883</u>	<u>\$ 13,252</u>	<u>\$ 187,717</u>	<u>\$ 429,212</u>

<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Poverty Based Assistance</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>
\$ -	\$ -	\$ -	\$ -	\$ 625
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625</u>
-	-	-	-	-
-	-	-	-	-
-	49	1,142	-	-
-	-	-	-	-
<u>-</u>	<u>49</u>	<u>1,142</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	(49)	(1,142)	-	625
<u>-</u>	<u>(49)</u>	<u>(1,142)</u>	<u>-</u>	<u>625</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625</u>

continued

Gahanna-Jefferson City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2006

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Alternative Schools</u>	<u>Other State Grants</u>
Assets:					
Cash and investments	\$ -	\$ 1,000	\$ -	\$ 766	\$ 62
Receivables (net of allowances for uncollectibles)					
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental - State	-	-	-	10,830	-
Intergovernmental - Federal	-	-	-	-	-
Prepaid Assets	-	-	-	-	-
Total assets	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>11,596</u>	<u>62</u>
Liabilities:					
Accounts Payable	-	-	-	-	-
Accrued wages and benefits	-	-	-	-	-
Interfund Loans	-	-	-	5,414	-
Due to other governments	-	145	-	434	2,444
Notes Payable	-	-	-	-	-
Deferred Revenue	-	-	-	5,415	-
Total Liabilities	<u>-</u>	<u>145</u>	<u>-</u>	<u>11,263</u>	<u>2,444</u>
Fund Balances:					
Reserved for encumbrances	-	-	-	766	-
Reserved for prepaid assets	-	-	-	-	-
Unreserved, Undesignated	-	855	-	(433)	(2,382)
Total fund balances	<u>-</u>	<u>855</u>	<u>-</u>	<u>333</u>	<u>(2,382)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 11,596</u>	<u>\$ 62</u>

<u>IDEA - B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>
\$ 187,256	\$ 1,783	\$ 2,012	\$ 4,935	\$ 3,076
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
246,083	-	55,527	9,904	-
-	-	-	-	-
<u>433,339</u>	<u>1,783</u>	<u>57,539</u>	<u>14,839</u>	<u>3,076</u>
70,273	40	198	4,136	1,334
86,230	-	34,803	-	-
135,361	1,697	12,480	8,830	-
30,748	5	6,940	12	-
-	-	-	-	-
246,083	-	5,101	9,904	-
<u>568,695</u>	<u>1,742</u>	<u>59,522</u>	<u>22,882</u>	<u>1,334</u>
187,256	1,783	2,010	4,935	1,991
-	-	-	-	-
<u>(322,612)</u>	<u>(1,742)</u>	<u>(3,993)</u>	<u>(12,978)</u>	<u>(249)</u>
<u>(135,356)</u>	<u>41</u>	<u>(1,983)</u>	<u>(8,043)</u>	<u>1,742</u>
<u>\$ 433,339</u>	<u>\$ 1,783</u>	<u>\$ 57,539</u>	<u>\$ 14,839</u>	<u>\$ 3,076</u>

continued

Gahanna-Jefferson City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2006

	<u>FCC</u> <u>E-Rate</u>	<u>Title II-A</u>	<u>Other</u> <u>Federal</u> <u>Grants</u>	<u>Building</u>	<u>Total Nonmajor</u> <u>Governmental</u> <u>Funds</u>
Assets:					
Cash and investments	\$ -	\$ 11,716	\$ 536	\$ 25,666	\$ 998,672
Receivables (net of allowances for uncollectibles)					
Accounts	-	-	-	-	707
Interest	-	-	-	26	2,469
Intergovernmental - State	-	-	-	-	10,830
Intergovernmental - Federal	-	24,043	944	-	336,501
Prepaid Assets	-	-	-	-	120
Total assets	<u>-</u>	<u>35,759</u>	<u>1,480</u>	<u>25,692</u>	<u>1,349,299</u>
Liabilities:					
Accounts Payable	-	1,029	200	-	122,154
Accrued wages and benefits	-	5,716	-	-	206,854
Interfund Loans	-	11,466	-	-	175,248
Due to other governments	-	3,512	81	-	70,168
Notes Payable	-	-	-	411,342	411,342
Deferred Revenue	-	-	-	-	266,503
Total Liabilities	<u>-</u>	<u>21,723</u>	<u>281</u>	<u>-</u>	<u>1,252,269</u>
Fund Balances:					
Reserved for encumbrances	-	11,716	-	-	293,902
Reserved for prepaid assets	-	-	-	-	120
Unreserved, Undesignated	-	2,320	1,199	(385,650)	(196,992)
Total fund balances	<u>-</u>	<u>14,036</u>	<u>1,199</u>	<u>(385,650)</u>	<u>97,030</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 35,759</u>	<u>\$ 1,480</u>	<u>\$(385,650)</u>	<u>\$ 1,349,299</u>

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Gahanna-Jefferson City School District, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006

	<u>Public School Support</u>	<u>Other Local Grants</u>	<u>Library Automation</u>	<u>District Managed Activities</u>	<u>Auxiliary Services</u>
Revenues:					
From local sources					
Other local	\$ 124,753	38,135	\$ -	\$ 461,900	\$ -
Intergovernmental - State	-	-	-	-	1,324,830
Intergovernmental - Federal	-	-	-	-	-
Investment Income	-	-	-	-	19,257
Total Revenues	<u>124,753</u>	<u>38,135</u>	<u>-</u>	<u>461,900</u>	<u>1,344,087</u>
Expenditures:					
Current:					
Instruction					
Regular	-	5,390	-	-	-
Special	-	-	-	-	-
Support Services					
Pupils	191	-	-	-	-
Instructional Staff	-	3,700	-	-	-
School Administration	119,023	-	-	-	-
Business	-	-	-	15,369	-
Maintenance	-	-	-	-	-
Central	-	-	-	-	-
Community Services	-	-	-	-	1,120,000
Extra Curricular Activities	-	-	-	428,064	-
Miscellaneous	-	-	-	-	-
Capital Outlay	5,879	2,900	-	36,250	144,406
Total Expenditures	<u>125,093</u>	<u>11,990</u>	<u>-</u>	<u>479,683</u>	<u>1,264,406</u>
Net Change in Fund Balance	(340)	26,145	-	(17,783)	79,681
Fund balance, July 1	104,745	1,736	13,252	204,212	201,156
Fund balance, June 30	<u>\$ 104,405</u>	<u>\$ 27,881</u>	<u>\$ 13,252</u>	<u>\$ 186,429</u>	<u>\$ 280,837</u>

<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Poverty Based Assistance</u>	<u>Data Communication</u>	<u>SchoolNet Professional Development</u>
\$ -	\$ -	\$ -	\$ -	\$ -
23,195	8,800	71,592	33,000	3,925
-	-	-	-	-
-	-	-	-	-
<u>23,195</u>	<u>8,800</u>	<u>71,592</u>	<u>33,000</u>	<u>3,925</u>
-	-	-	-	8,180
-	-	72,454	-	-
-	-	-	-	-
-	6,195	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
17,429	-	-	33,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,830	-	-	-	-
<u>23,259</u>	<u>6,195</u>	<u>72,454</u>	<u>33,000</u>	<u>8,180</u>
(64)	2,605	(862)	-	(4,255)
64	(2,654)	(280)	-	4,880
<u>\$ -</u>	<u>\$ (49)</u>	<u>\$ (1,142)</u>	<u>\$ -</u>	<u>\$ 625</u>

continued

Gahanna-Jefferson City School District, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2006

	<u>Textbook Subsidy</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>	<u>Alternative Schools</u>
Revenues:				
From local sources				
Other local	\$ -	\$ -	\$ -	\$ -
Intergovernmental - State	-	14,000	66,893	54,146
Intergovernmental - Federal	-	-	-	-
Investment Income	-	-	-	-
Total Revenues	<u>-</u>	<u>14,000</u>	<u>66,893</u>	<u>54,146</u>
Expenditures:				
Current:				
Instruction				
Regular	-	-	64,804	33,460
Special	-	-	-	-
Support Services				
Pupils	-	-	-	19,156
Instructional Staff	-	11,158	2,643	-
School Administration	-	-	-	-
Business	-	-	-	-
Maintenance	-	-	-	-
Central	-	-	-	-
Community Services	-	-	-	-
Extra Curricular Activities	-	-	-	1,000
Miscellaneous	42,792	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>42,792</u>	<u>11,158</u>	<u>67,447</u>	<u>53,616</u>
Net Change in Fund Balance	(42,792)	2,842	(554)	530
Fund balance, July 1	<u>42,792</u>	<u>(1,987)</u>	<u>554</u>	<u>(197)</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 855</u>	<u>\$ -</u>	<u>\$ 333</u>

Other State Grants	<u>IDEA-B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>
\$ -	\$ -	\$ -	\$ -	\$ -
54,941	-	-	-	-
-	1,150,388	10,111	283,127	8,610
-	-	-	-	-
<u>54,941</u>	<u>1,150,388</u>	<u>10,111</u>	<u>283,127</u>	<u>8,610</u>
30,684	-	-	198	10,202
-	118,851	-	331,331	-
-	269,505	10,070	-	-
23,276	628,595	-	-	-
-	94,094	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	174,638	-	-	1,837
-	-	-	-	-
-	-	-	-	-
-	100,226	-	-	1,606
<u>53,960</u>	<u>1,385,909</u>	<u>10,070</u>	<u>331,529</u>	<u>13,645</u>
981	(235,521)	41	(48,402)	(5,035)
(3,363)	100,165	-	46,419	(3,008)
<u>\$ (2,382)</u>	<u>\$ (135,356)</u>	<u>\$ 41</u>	<u>\$ (1,983)</u>	<u>\$ (8,043)</u>

continued

Gahanna-Jefferson City School District, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2006

	Drug Free Schools	FCC E-Rate	Title II-A	Other Federal Grants	Building	Total Nonmajor Governmental Funds
Revenues:						
From local sources						
Other local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 624,788
Intergovernmental - State	-	-	-	-	-	1,655,322
Intergovernmental - Federal	24,106	-	140,292	8,327	-	1,624,961
Investment Income	-	-	-	-	251	19,508
Total Revenues	<u>24,106</u>	<u>-</u>	<u>140,292</u>	<u>8,327</u>	<u>251</u>	<u>3,924,579</u>
Expenditures:						
Current:						
Instruction						
Regular	-	-	80,593	7,746	-	241,257
Special	-	-	-	-	-	522,636
Support Services						
Pupils	-	-	-	-	-	298,922
Instructional Staff	21,257	-	37,036	5,291	-	739,151
School Administration	-	-	-	-	-	213,117
Business	-	-	-	-	-	15,369
Maintenance	-	6,634	-	-	-	6,634
Central	-	-	-	-	-	50,429
Community Services	3,667	-	14,216	-	-	1,314,358
Extra Curricular Activities	-	-	-	-	-	429,064
Miscellaneous	-	-	-	-	-	42,792
Capital Outlay	-	-	-	-	424,864	721,961
Total Expenditures	<u>24,924</u>	<u>6,634</u>	<u>131,845</u>	<u>13,037</u>	<u>424,864</u>	<u>4,595,690</u>
Net Change in Fund Balance	(818)	(6,634)	8,447	(4,710)	(424,613)	(671,111)
Fund balance, July 1	2,560	6,634	5,589	5,909	38,963	768,141
Fund balance, June 30	<u>\$ 1,742</u>	<u>\$ -</u>	<u>\$ 14,036</u>	<u>\$ 1,199</u>	<u>\$ (385,650)</u>	<u>\$ 97,030</u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public School Support				
Total Revenues and Other Sources	\$147,530	\$125,138	\$125,138	\$0
Total Expenditures and Other Uses	<u>164,032</u>	<u>137,811</u>	<u>128,794</u>	<u>9,017</u>
Net Change in Fund Balance	(16,502)	(12,673)	(3,656)	9,017
Fund Balance, July 1	100,264	100,264	100,264	0
Prior Year Encumbrances Appropriated	<u>3,941</u>	<u>3,941</u>	<u>3,941</u>	<u>0</u>
Fund Balance, June 30	<u>\$87,703</u>	<u>\$91,532</u>	<u>\$100,549</u>	<u>\$9,017</u>
Other Local Grants				
Total Revenues and Other Sources	\$5,884	\$ 38,135.00	\$38,135	\$0
Total Expenditures and Other Uses	<u>7,619</u>	<u>18,646</u>	<u>12,192</u>	<u>6,454</u>
Net Change in Fund Balance	(1,735)	19,489	25,943	6,454
Fund Balance, July 1	1,736	1,736	1,736	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$1</u>	<u>\$21,225</u>	<u>\$27,679</u>	<u>\$6,454</u>
Library Automation				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>13,251</u>	<u>13,252</u>	<u>0</u>	<u>13,252</u>
Net Change in Fund Balance	(13,251)	(13,252)	0	13,252
Fund Balance, July 1	13,252	13,252	13,252	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$1</u>	<u>\$0</u>	<u>\$13,252</u>	<u>\$13,252</u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
District Managed Activities				
Total Revenues and Other Sources	\$472,876	\$461,532	\$461,532	\$0
Total Expenditures and Other Uses	<u>520,569</u>	<u>506,011</u>	<u>491,545</u>	<u>14,466</u>
Net Change in Fund Balance	(47,693)	(44,479)	(30,013)	14,466
Fund Balance, July 1	193,389	193,389	193,389	0
Prior Year Encumbrances Appropriated	<u>13,667</u>	<u>13,667</u>	<u>13,667</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$159,363</u></u>	<u><u>\$162,577</u></u>	<u><u>\$177,043</u></u>	<u><u>\$14,466</u></u>
Auxiliary Services				
Total Revenues and Other Sources	\$1,260,634	\$1,343,213	\$1,343,212	(\$1)
Total Expenditures and Other Uses	<u>1,774,617</u>	<u>1,849,059</u>	<u>1,491,788</u>	<u>357,271</u>
Net Change in Fund Balance	(513,983)	(505,846)	(148,576)	357,270
Fund Balance, July 1	150,097	150,097	150,097	0
Prior Year Encumbrances Appropriated	<u>355,749</u>	<u>355,749</u>	<u>355,749</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$8,137)</u></u>	<u><u>\$0</u></u>	<u><u>\$357,270</u></u>	<u><u>\$357,270</u></u>
Management Information Systems				
Total Revenues and Other Sources	\$22,000	\$23,196	\$23,196	\$0
Total Expenditures and Other Uses	<u>22,064</u>	<u>23,260</u>	<u>23,260</u>	<u>0</u>
Net Change in Fund Balance	(64)	(64)	(64)	0
Fund Balance, July 1	64	64	64	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Entry Year Programs				
Total Revenues and Other Sources	\$22,000	\$8,800	\$8,800	\$0
Total Expenditures and Other Uses	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>0</u>
Net Change in Fund Balance	12,100	(1,100)	(1,100)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,100</u>	<u>1100</u>	<u>1,100</u>	<u>0</u>
Fund Balance, June 30	<u>\$13,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
SchoolNet Plus				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Data Communications				
Total Revenues and Other Sources	\$33,000	\$33,000	\$33,000	\$0
Total Expenditures and Other Uses	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Gahanna-Jefferson City School District, Ohio
 Statements of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
SchoolNet Professional Development				
Total Revenues and Other Sources	\$0	\$3,925	\$3,925	\$0
Total Expenditures and Other Uses	<u>4,880</u>	<u>8,805</u>	<u>8,180</u>	<u>625</u>
Net Change in Fund Balance	(4,880)	(4,880)	(4,255)	625
Fund Balance, July 1	4,880	4,880	4,880	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$625</u></u>	<u><u>\$625</u></u>
Textbook Subsidy				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>42,793</u>	<u>42,793</u>	<u>42,793</u>	<u>0</u>
Net Change in Fund Balance	(42,793)	(42,793)	(42,793)	0
Fund Balance, July 1	42,793	42,793	42,793	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Interactive Video Distance Learning				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Ohio Reads				
Total Revenues and Other Sources	\$14,000	\$14,000	\$14,000	\$0
Total Expenditures and Other Uses	<u>14,000</u>	<u>14,000</u>	<u>15,000</u>	<u>(1,000)</u>
Net Change in Fund Balance	0	0	(1,000)	(1,000)
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Fund Balance, June 30	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$1,000</u>	<u>(\$1,000)</u>
Summer Intervention				
Total Revenues and Other Sources	\$0	\$ 66,893	\$66,893	\$0
Total Expenditures and Other Uses	<u>67,535</u>	<u>134,428</u>	<u>134,428</u>	<u>0</u>
Net Change in Fund Balance	(67,535)	(67,535)	(67,535)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>67,535</u>	<u>67,535</u>	<u>67,535</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Alternative Schools				
Total Revenues and Other Sources	\$139,591	\$54,145	\$54,145	\$0
Total Expenditures and Other Uses	<u>54,236</u>	<u>54,236</u>	<u>54,236</u>	<u>0</u>
Net Change in Fund Balance	85,355	(91)	(91)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>91</u>	<u>91</u>	<u>91</u>	<u>0</u>
Fund Balance, June 30	<u>\$85,446</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Poverty Based Assistance				
Total Revenues and Other Sources	\$71,592	\$71,592	\$71,592	\$0
Total Expenditures and Other Uses	<u>71,592</u>	<u>71,592</u>	<u>71,592</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Other State Grants				
Total Revenues and Other Sources	\$24,375	\$54,941	\$54,941	\$0
Total Expenditures and Other Uses	<u>25,110</u>	<u>55,677</u>	<u>55,611</u>	<u>66</u>
Net Change in Fund Balance	(735)	(736)	(670)	66
Fund Balance, July 1	736	736	736	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$1</u></u>	<u><u>\$0</u></u>	<u><u>\$66</u></u>	<u><u>\$66</u></u>
IDEA B				
Total Revenues and Other Sources	\$2,268,018	\$1,486,879	\$1,486,879	\$0
Total Expenditures and Other Uses	<u>2,414,270</u>	<u>1,633,131</u>	<u>1,633,132</u>	<u>(1)</u>
Net Change in Fund Balance	(146,252)	(146,252)	(146,253)	(1)
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>146,253</u>	<u>146,253</u>	<u>146,253</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$0</u></u>	<u><u>(\$1)</u></u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Title III				
Total Revenues and Other Sources	\$12,636	\$11,808	\$11,808	\$0
Total Expenditures and Other Uses	<u>12,636</u>	<u>11,808</u>	<u>11,808</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Title I				
Total Revenues and Other Sources	\$359,052	\$274,950	\$274,950	\$0
Total Expenditures and Other Uses	<u>382,874</u>	<u>298,773</u>	<u>298,773</u>	<u>0</u>
Net Change in Fund Balance	(23,822)	(23,823)	(23,823)	0
Fund Balance, July 1	23,294	23,294	23,294	0
Prior Year Encumbrances Appropriated	<u>529</u>	<u>529</u>	<u>529</u>	<u>0</u>
Fund Balance, June 30	<u>\$1</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Title V				
Total Revenues and Other Sources	\$51,564	\$40,395	\$40,395	\$0
Total Expenditures and Other Uses	<u>57,844</u>	<u>46,675</u>	<u>46,675</u>	<u>0</u>
Net Change in Fund Balance	(6,280)	(6,280)	(6,280)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>6,280</u>	<u>6,280</u>	<u>6,280</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Drug Free Schools				
Total Revenues and Other Sources	\$30,513	\$27,209	\$27,209	\$0
Total Expenditures and Other Uses	<u>34,196</u>	<u>30,892</u>	<u>29,808</u>	<u>1,084</u>
Net Change in Fund Balance	(3,683)	(3,683)	(2,599)	1,084
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>3,683</u>	<u>3,683</u>	<u>3,683</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$1,084</u>	<u>\$1,084</u>
FCC E Rate				
Total Revenues and Other Sources	\$0	\$0	\$0	\$0
Total Expenditures and Other Uses	<u>6,634</u>	<u>6,634</u>	<u>6,634</u>	<u>0</u>
Net Change in Fund Balance	(6,634)	(6,634)	(6,634)	0
Fund Balance, July 1	6,634	6,634	6,634	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Title II-A				
Total Revenues and Other Sources	\$198,464	\$166,396	\$166,396	\$0
Total Expenditures and Other Uses	<u>239,042</u>	<u>206,974</u>	<u>206,974</u>	<u>0</u>
Net Change in Fund Balance	(40,578)	(40,578)	(40,578)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>40,578</u>	<u>40,578</u>	<u>40,578</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Federal Grants				
Total Revenues and Other Sources	\$27,928	\$26,199	\$26,199	\$0
Total Expenditures and Other Uses	<u>34,846</u>	<u>33,117</u>	<u>32,578</u>	<u>539</u>
Net Change in Fund Balance	(6,918)	(6,918)	(6,379)	539
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>6,918</u>	<u>6,918</u>	<u>6,918</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$539</u>	<u>\$539</u>
Capital Projects - Building				
Total Revenues and Other Sources	\$430,455	\$411,617	\$411,617	\$0
Total Expenditures and Other Uses	<u>424,864</u>	<u>424,864</u>	<u>424,864</u>	<u>0</u>
Net Change in Fund Balance	5,591	(13,247)	(13,247)	0
Fund Balance, July 1	38,914	38,914	38,914	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$44,505</u>	<u>\$25,667</u>	<u>\$25,667</u>	<u>\$0</u>

Gahanna-Jefferson City School District
Combining Schedules and Individuals Fund Schedules

Enterprise Funds

Enterprise Funds may be used to account for any activity for which a fee is charged to external users of goods or services.

Food Service Fund – A fund used to record financial transactions related to the District’s food service operation.

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

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

Gahanna-Jefferson City School District, Ohio
Statement of Net Assets
Enterprise Funds
as of June 30, 2006

	<u>Food Service</u>	<u>Special Rotary</u>	<u>Community Recreation</u>	<u>Total</u>
Assets:				
Cash and cash equivalents	\$ 63,751	\$ 216,393	\$ 55,914	\$ 336,058
Receivables (net of allowances for uncollectibles)				
Accounts	-	3,692	-	3,692
Interest	839	-	-	839
Intergovernmental - Federal	57,303	-	-	57,303
Materials and Supplies Inventory	21,084	-	-	21,084
Total Current Assets	<u>142,977</u>	<u>220,085</u>	<u>55,914</u>	<u>418,976</u>
Capital Assets, Net	<u>130,381</u>	<u>-</u>	<u>2,862</u>	<u>133,243</u>
Total Assets	<u>273,358</u>	<u>220,085</u>	<u>58,776</u>	<u>552,219</u>
Liabilities:				
Accounts Payable	562	395	2,621	3,578
Accrued Wages and Benefits	111,697	-	-	111,697
Interfund payable	-	-	-	-
Due to other governments	110,155	933	38	111,126
Compensated Absences Payable	11,085	-	-	11,085
Unearned Revenue	-	40,382	-	40,382
Total Current Liabilities	<u>233,499</u>	<u>41,710</u>	<u>2,659</u>	<u>277,868</u>
Long-Term Liabilities				
Compensated Absences Payable	<u>87,657</u>	<u>-</u>	<u>-</u>	<u>87,657</u>
Total Liabilities	<u>321,156</u>	<u>41,710</u>	<u>2,659</u>	<u>365,525</u>
Net Assets				
Invested in Capital Assets	130,381	-	2,862	133,243
Unrestricted	<u>(178,179)</u>	<u>178,375</u>	<u>53,255</u>	<u>53,451</u>
Total Net Assets	<u>\$ (47,798)</u>	<u>\$ 178,375</u>	<u>\$ 56,117</u>	<u>\$ 186,694</u>

Gahanna-Jefferson City School District, Ohio
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2006

	<u>Food Service</u>	<u>Special Rotary</u>	<u>Community Recreation</u>	<u>Total</u>
Operating Revenues				
Tuition and Fees	\$ -	\$ 150,218	\$ 35,150	\$ 185,368
Sales	1,423,007	-	7,293	1,430,300
Other Operating Revenue	2,498	7,225	14,709	24,432
Total Operating Revenues	<u>1,425,505</u>	<u>157,443</u>	<u>57,152</u>	<u>1,640,100</u>
Operating Expenses				
Salaries & Wages	818,414	128,020	520	946,954
Fringe Benefits	278,784	-	77	278,861
Purchased Services	8,448	6,179	8,520	23,147
Material & Supplies	817,061	3,363	31,246	851,670
Depreciation	25,252	-	409	25,661
Other Operating Expenses	1,995	830	10,531	13,356
Total Operating Expenses	<u>1,949,954</u>	<u>138,392</u>	<u>51,303</u>	<u>2,139,649</u>
Operating Income (Loss)	(524,449)	19,051	5,849	(499,549)
Non-Operating Revenues				
Operating grants	457,763	-	-	457,763
Interest	3,868	-	-	3,868
Total Non-Operating Revenues	<u>461,631</u>	<u>-</u>	<u>-</u>	<u>461,631</u>
Change in Net Assets	(62,818)	19,051	5,849	(37,918)
Net Assets Beginning of Year	15,020	159,324	50,268	224,612
Net Assets End of Year	<u>\$ (47,798)</u>	<u>\$ 178,375</u>	<u>\$ 56,117</u>	<u>\$ 186,694</u>

Gahanna-Jefferson City School District, Ohio
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2006

	<u>Food Service</u>	<u>Special Rotary</u>	<u>Community Recreation</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from tuition and fees	-	\$ 153,320	\$ 35,150	\$ 188,470
Cash received from sales	1,423,200	-	7,293	1,430,493
Other cash receipts	2,498	7,225	14,709	24,432
Cash payments for personal services	(1,082,615)	(127,849)	(577)	(1,211,041)
Cash payments for contract services	(8,448)	(6,563)	(8,642)	(23,653)
Cash payments for supplies and materials	(746,058)	(4,061)	(28,625)	(778,744)
Cash payments for other expenses	(1,995)	(900)	(10,531)	(13,426)
Net cash provided (used) by operating activities	<u>(413,418)</u>	<u>21,172</u>	<u>8,777</u>	<u>(383,469)</u>
Cash flows from noncapital financing activities:				
Advances in (out)	-	(241)	-	(241)
Cash from operating grants	378,887	-	-	378,887
Net cash from noncapital financing activities	<u>378,887</u>	<u>(241)</u>	<u>-</u>	<u>378,646</u>
Cash flows from investing activities:				
Interest on Investments	3,581	-	-	3,581
Net cash from investing activities	<u>3,581</u>	<u>-</u>	<u>-</u>	<u>3,581</u>
Net increase (decrease) in cash and cash equivalents:	(30,950)	20,931	8,777	(1,242)
Cash and cash equivalents at beginning of year	94,701	195,462	47,137	337,300
Cash and cash equivalents at end of year	<u>63,751</u>	<u>216,393</u>	<u>55,914</u>	<u>336,058</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating Income (loss)	(524,449)	19,051	5,849	(499,549)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	25,252	-	409	25,661
Commodities expense related to noncash grant	68,291	-	-	68,291
Changes in assets and liabilities:				
Accounts receivable	193	1,171	-	1,364
Supplies inventory	3,728	-	-	3,728
Accounts payable	(1,016)	(1,152)	2,499	331
Accrued wages and benefits	(13,333)	-	-	(13,333)
Due to other governments	12,095	171	20	12,286
Compensated absences	15,821	-	-	15,821
Unearned revenue	-	1,931	-	1,931
Net cash provided (used) by operating activities	<u>\$ (413,418)</u>	<u>\$ 21,172</u>	<u>\$ 8,777</u>	<u>\$ (383,469)</u>

Schedule of Noncash Financing Activities

The Food Service Fund received \$ 68,291 of donated commodities.

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Net Assets - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Food Service				
Total Revenues and Other Sources	\$1,993,900	\$1,808,166	\$1,808,166	\$0
Total Expenditures and Other Uses	<u>2,073,160</u>	<u>2,073,159</u>	<u>1,858,289</u>	<u>214,870</u>
Net Income (loss)	(79,260)	(264,993)	(50,123)	214,870
Net Assets, July 1	83,760	83,760	83,760	0
Prior Year Encumbrances Appropriated	<u>10,943</u>	<u>10,943</u>	<u>10,943</u>	<u>0</u>
Net Assets, June 30	<u>\$15,443</u>	<u>(\$170,290)</u>	<u>\$44,580</u>	<u>\$214,870</u>
Special Rotary				
Total Revenues and Other Sources	\$155,500	\$160,545	\$160,545	\$0
Total Expenditures and Other Uses	<u>226,519</u>	<u>142,168</u>	<u>141,055</u>	<u>1,113</u>
Net Income (loss)	(71,019)	18,377	19,490	1,113
Net Assets, July 1	192,343	192,343	192,343	0
Prior Year Encumbrances Appropriated	<u>3,119</u>	<u>3,119</u>	<u>3,119</u>	<u>0</u>
Net Assets, June 30	<u>\$124,443</u>	<u>\$213,839</u>	<u>\$214,952</u>	<u>\$1,113</u>
Community Recreation				
Total Revenues and Other Sources	\$63,100	\$57,152	\$57,152	\$0
Total Expenditures and Other Uses	<u>81,609</u>	<u>59,681</u>	<u>56,724</u>	<u>2,957</u>
Net Income (loss)	(18,509)	(2,529)	428	2,957
Net Assets, July 1	40,737	40,737	40,737	0
Prior Year Encumbrances Appropriated	<u>6,403</u>	<u>6,403</u>	<u>6,403</u>	<u>0</u>
Net Assets, June 30	<u>\$28,631</u>	<u>\$44,611</u>	<u>\$47,568</u>	<u>\$2,957</u>

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Gahanna-Jefferson City School District
Combining Statements and Individual Fund Schedules

Internal Service Fund

Internal Service Funds are used to account for the financing of services provided by one department or agency to another department or agency on a cost reimbursement basis.

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

Gahanna-Jefferson City School District, Ohio
Schedule of Revenues, Expenses, and
Changes in Fund Net Assets - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Self-funded Insurance				
Total Revenues and Other Sources	\$5,751,424	\$5,796,362	\$5,796,362	\$0
Total Expenditures and Other Uses	<u>5,751,424</u>	<u>5,879,490</u>	<u>5,879,490</u>	<u>0</u>
 Net Income (loss)	 0	 (83,128)	 (83,128)	 0
Net Assets, July 1	2,151,296	2,151,296	2,151,296	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Net Assets, June 30	 <u>\$2,151,296</u>	 <u>\$2,068,168</u>	 <u>\$2,068,168</u>	 <u>\$0</u>

Gahanna-Jefferson City School District
Combining Statements and Individual Fund Schedules

Fiduciary Fund type

Private Purpose Trust and Agency Funds

The Private Trust Funds are used to account for assets held by a government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

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

Student Activity Fund – 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.

Gahanna-Jefferson City School District, Ohio
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Private Purpose Trust				
Total Revenues and Other Sources	\$48,715	\$41,312	\$41,312	\$0
Total Expenditures and Other Uses	<u>70,137</u>	<u>58,083</u>	<u>55,499</u>	<u>2,584</u>
Net Change in Fund Balance	(21,422)	(16,771)	(14,187)	2,584
Fund Balance, July 1	99,189	99,189	99,189	0
Prior Year Encumbrances Appropriated	<u>10,592</u>	<u>10,592</u>	<u>10,592</u>	<u>0</u>
Fund Balance, June 30	<u>\$88,359</u>	<u>\$93,010</u>	<u>\$95,594</u>	<u>\$2,584</u>

Gahanna-Jefferson City School District, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For the year ended June 30, 2006

	<u>Balance</u> <u>June 30, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
Assets:				
Cash and Cash Equivalents	\$ 134,514	\$ 46,605	\$ 2,139	\$ 178,980
Receivables (net of allowances for uncollectibles)				
Accounts	6,406	990	-	\$ 7,396
Materials and Supplies Inventory	26,690	11,462	-	\$ 38,152
Total assets	<u>167,610</u>	<u>59,057</u>	<u>2,139</u>	<u>224,528</u>
Liabilities:				
Accounts Payable	6,652	-	2,139	\$ 4,513
Due to Other Governments	3	1	-	\$ 4
Due to Students	160,955	59,056	-	\$ 220,011
Total Liabilities	<u>167,610</u>	<u>59,057</u>	<u>2,139</u>	<u>\$ 224,528</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	89
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Debt Capacity</i>	103
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.	
<i>Demographic and Economic Information</i>	107
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting government-wide information include information beginning in that year.

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

TABLE 1

FISCAL YEARS	INSTRUCTIONAL SERVICES	SUPPORT SERVICES	COMMUNITY SERVICES	EXTRA-CURRICULAR	MISCELLANEOUS	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1997	24,415,025	13,239,802	717,537	799,720		2,182,146	3,751,708	45,105,938
1998	25,325,621	13,149,900	700,473	826,249		182,947	3,531,468	43,716,658
1999	25,727,447	13,367,314	802,651	834,049		3,116,281	10,974,758	54,822,500
2000	29,451,800	14,833,175	895,746	842,499		10,823,416	5,140,761	61,987,397
2001	31,039,899	16,295,840	1,261,539	983,164		9,339,022	5,002,788	63,922,252
2002	33,686,585	17,975,898	1,068,259	1,016,412		1,548,913	5,040,083	60,336,150
2003	33,879,633	18,093,029	1,110,985	1,069,679		1,504,941	5,156,843	60,815,110
2004	37,546,398	19,735,060	1,185,029	1,011,401		1,441,251	5,389,639	66,308,778
2005	40,208,291	20,802,773	1,483,300	1,171,856		1,403,145	5,376,883	70,446,248
2006	42,858,430	20,938,272	1,314,358	1,190,475	42,792	1,957,782	4,065,728	72,367,837

Notes:

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

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
 LAST TEN FISCAL YEARS

TABLE 2

FISCAL YEARS	PROPERTY TAXES	STATE SOURCES	FEDERAL SOURCES	INVESTMENT INCOME	TUITION	OTHER	TOTAL
1997	28,553,796	11,614,529	643,251	643,720	36,857	1,255,381	42,747,534
1998	32,200,976	13,134,022	632,853	639,770	49,687	1,967,922	48,625,230
1999	34,370,047	13,858,016	743,239	1,288,237	91,828	979,149	51,330,516
2000	35,455,260	16,096,599	797,743	2,653,249	444,767	1,064,287	56,511,905
2001	44,439,676	13,424,945	1,221,767	1,841,132	370,679	2,638,750	63,936,949
2002	42,260,286	18,300,508	1,267,186	1,253,277	383,963	3,091,244	66,556,464
2003	44,475,146	14,169,688	1,329,342	721,447	212,768	2,757,489	63,665,880
2004	46,985,556	17,038,048	1,557,421	404,064	423,739	2,466,065	68,874,893
2005	41,978,299	18,217,969	1,807,255	856,315	405,098	2,428,207	65,693,143
2006	40,696,200	17,909,113	1,643,414	1,372,968	190,516	2,786,215	64,598,426

Notes:

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

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

TABLE 3

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

COLLECTION YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
1996	32,396,672	32,006,356	98.8%	683,339	32,689,695	100.9%	1,159,218	3.6%
1997	33,636,587	33,237,765	98.8%	683,604	33,921,369	100.8%	1,877,909	5.6%
1998	33,459,116	32,983,344	98.6%	1,064,680	34,048,024	101.8%	1,786,368	5.3%
1999	42,779,058	42,004,646	98.2%	841,342	42,845,988	100.2%	2,271,930	5.3%
2000	46,166,623	44,351,171	96.1%	1,742,309	46,093,480	99.8%	1,956,032	4.2%
2001	45,636,107	44,706,135	98.0%	1,478,902	46,185,037	101.2%	2,794,570	6.1%
2002	48,048,726	45,588,643	94.9%	1,376,675	46,965,318	97.7%	5,569,776	11.6%
2003	45,271,640	43,916,722	97.0%	4,002,243	47,918,965	105.8%	3,078,699	6.8%
2004	45,537,966	43,215,528	94.9%	1,474,894	44,690,422	98.1%	2,856,629	6.3%
2005	46,001,432	43,224,876	94.0%	1,104,077	44,328,953	96.4%	2,990,858	6.5%

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

TABLE 4

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

YEAR	REAL PROPERTY		PERSONAL PROPERTY		PUBLIC UTILITIES		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1996	657,267	1,877,906	155,002	620,008	29,934	85,526	842,203	2,583,440	32.60%
1997	688,454	1,967,011	162,673	650,692	30,600	87,429	881,727	2,705,132	32.59%
1998	735,763	2,102,180	144,013	576,052	31,185	89,100	910,961	2,767,332	32.92%
1999	859,011	2,454,317	160,182	640,728	31,641	90,403	1,050,834	3,185,448	32.99%
2000	898,531	2,567,231	181,223	724,892	29,848	86,280	1,109,602	3,378,403	32.84%
2001	929,286	2,655,103	169,184	676,736	25,183	71,949	1,123,653	3,403,788	33.01%
2002	1,057,601	3,021,717	195,431	814,296	30,504	87,154	1,283,536	3,923,167	32.72%
2003	1,091,561	3,118,746	112,361	488,526	33,788	96,537	1,237,710	3,703,809	33.42%
2004	1,127,088	3,220,251	90,329	376,363	30,915	88,329	1,248,332	3,684,943	33.88%
2005	1,327,022	3,791,493	76,267	100,072	35,025	305,068	1,438,314	4,196,633	34.27%

Note: (1) In thousands except ratios

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

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

TABLE 5a

FISCAL YEAR	TOTAL RATE	SCHOOL DISTRICT				GAHANNA CITY	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL						
1996 for 1997	86.47	50.70	4.15	54.85	2.40	15.12	1.20	2.20	10.70	
1997 for 1998	84.41	50.70	3.99	54.69	2.40	15.22	1.20	2.20	8.70	
1998 for 1999	94.93	57.00	5.09	62.09	2.40	17.54	2.00	2.20	8.70	
1999 for 2000	94.29	57.00	4.35	61.35	2.40	17.64	2.00	2.20	8.70	
2000 for 2001	95.15	57.00	4.21	61.21	2.40	17.64	2.00	2.20	9.70	
2001 for 2002	95.18	57.00	4.24	61.24	2.40	17.64	2.00	2.20	9.70	
2002 for 2003	94.84	57.00	3.90	60.90	2.40	17.64	2.00	2.20	9.70	
2003 for 2004	95.13	57.00	4.19	61.19	2.40	17.64	2.00	2.20	9.70	
2004 for 2005	95.88	57.00	3.14	60.14	2.40	18.44	2.00	2.20	10.70	
2005 for 2006	94.98	57.00	2.24	59.24	2.40	18.44	2.00	2.20	10.70	

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

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

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

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

FISCAL YEAR	TOTAL RATE	SCHOOL DISTRICT						JEFFERSON TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	
1996 for 1997	82.57	50.70	4.15	54.85	15.12	1.20	2.20	9.20
1997 for 1998	83.16	50.70	3.99	54.69	15.22	1.20	2.20	9.85
1998 for 1999	94.65	57.00	5.09	62.09	17.54	2.00	2.20	10.82
1999 for 2000	93.78	57.00	4.35	61.35	17.64	2.00	2.20	10.59
2000 for 2001	93.58	57.00	4.21	61.21	17.64	2.00	2.20	10.53
2001 for 2002	93.58	57.00	4.24	61.24	17.64	2.00	2.20	10.50
2002 for 2003	93.11	57.00	3.90	60.90	17.64	2.00	2.20	10.37
2003 for 2004	93.40	57.00	4.19	61.19	17.64	2.00	2.20	10.37
2004 for 2005	93.43	57.00	3.14	60.14	18.44	2.00	2.20	10.65
2005 for 2006	92.46	57.00	2.24	59.24	18.44	2.00	2.20	10.58

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

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

TABLE 5c

FISCAL YEAR	TOTAL RATE	SCHOOL DISTRICT				TOTAL SCHOOL	FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY	MIFFLIN TOWNSHIP
		GENERAL FUND	BOND RETIREMENT FUND							
1996 for 1997	93.87	50.70	4.15		54.85	14.82	1.20	2.20	20.80	
1997 for 1998	94.01	50.70	3.99		54.69	15.12	1.20	2.20	20.80	
1998 for 1999	101.51	57.00	5.09		62.09	15.22	1.20	2.20	20.80	
1999 for 2000	103.89	57.00	4.35		61.35	17.54	2.00	2.20	20.80	
2000 for 2001	103.85	57.00	4.21		61.21	17.64	2.00	2.20	20.80	
2001 for 2002	104.88	57.00	4.24		61.24	17.64	2.00	2.20	21.80	
2002 for 2003	104.54	57.00	3.90		60.90	17.64	2.00	2.20	21.80	
2003 for 2004	104.86	57.00	4.19		61.19	17.64	2.00	2.20	21.80	
2004 for 2005	105.58	57.00	3.14		60.14	18.44	2.00	2.20	22.80	
2005 for 2006	104.68	57.00	2.24		59.24	18.44	2.00	2.20	22.80	

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

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

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

TABLE 5d

FISCAL YEAR	TOTAL RATE	SCHOOL DISTRICT					FRANKLIN COUNTY	EASTLAND JVS	COLUMBUS LIBRARY
		GENERAL FUND	BOND RETIREMENT FUND	TOTAL SCHOOL	COLUMBUS CITY				
1995 for 1996	76.79	50.70	4.73	55.43	3.14	14.82	1.20	2.20	
1996 for 1997	76.51	50.70	4.15	54.85	3.14	15.12	1.20	2.20	
1997 for 1998	76.45	50.70	3.99	54.69	3.14	15.22	1.20	2.20	
1998 for 1999	86.97	57.00	5.09	62.09	3.14	17.54	2.00	2.20	
1999 for 2000	86.33	57.00	4.35	61.35	3.14	17.64	2.00	2.20	
2000 for 2001	86.19	57.00	4.21	61.21	3.14	17.64	2.00	2.20	
2002 for 2003	85.88	57.00	3.90	60.90	3.14	17.64	2.00	2.20	
2003 for 2004	86.17	57.00	4.19	61.19	3.14	17.64	2.00	2.20	
2004 for 2005	85.92	57.00	3.14	60.14	3.14	18.44	2.00	2.20	
2005 for 2006	85.02	57.00	2.24	59.24	3.14	18.44	2.00	2.20	

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

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
TOP PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2005

TABLE 6

<u>PUBLIC UTILITIES</u>	<u>ASSESSED VALUATION</u>	<u>% OF TOTAL ASSESSED VALUATION</u>
1. Columbus Southern Power Co.	\$21,717,540	1.51%
2. Ohio Bell Telephone Co.	\$5,163,730	0.36%
3. XO Communications	4,039,540	0.28%
4. Columbia Gas of Ohio Inc.	2,061,490	0.14%
 <u>REAL ESTATE</u>		
1. Distribution Land Corp	38,727,540	2.69%
2. Abbot Laboratories	12,856,340	0.89%
3. Morse & Hamilton LP	9,924,360	0.69%
4. IPOFA Columbus Works LLC	8,897,000	0.62%
5. Vista at Rocky Fork LP	7,472,500	0.52%
6. M/I Homes of Central Ohio	7,232,110	0.50%
7. AERC Christopher Wren, Inc.	4,620,000	0.32%
8. Casto Reynoldsburg New	3,724,000	0.26%
9. Loupe-One LLC	3,682,000	0.26%
10. Rosebrook LTD	3,395,000	0.24%
 <u>TANGIBLE PERSONAL PROPERTY</u>		
1. Lucent Technologies Inc.	15,251,453	1.06%
2. Limited Technology Services Inc	8,421,323	0.59%
3. Limited Logistics Services Inc	4,715,775	0.33%
4. McGraw Hill Companies Inc	4,253,273	0.30%
.5 Abbott Laboratories	4,059,443	0.28%
6. ADS Alliance Data Systems Inc	1,282,973	0.09%
7. Siemens Airfield Solutions Inc.	1,238,618	0.09%
8. Tamarkin Company	1,220,115	0.08%
9. Kroger Company	1,200,135	0.08%
10. Express LLC	1,133,775	0.08%
ALL OTHERS	<u>1,262,024,658</u>	<u>87.74%</u>
TOTAL ASSESSED VALUATION	<u>\$1,438,314,691</u>	<u>100.00%</u>

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

TABLE 7

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ (601)	1,668	6,714	9,197
Restricted	6,131	5,129	4,716	5,087
Unrestricted	<u>35,987</u>	<u>37,866</u>	<u>31,219</u>	<u>21,830</u>
Total government activities net assets	<u>41,517</u>	<u>44,663</u>	<u>42,649</u>	<u>36,114</u>
Business-type activities				
Invested in capital assets, net of related debt	213	222	159	133
Restricted				
Unrestricted	<u>(52)</u>	<u>20</u>	<u>66</u>	<u>54</u>
Total business-type activities net assets	161	242	225	187
Primary government				
Invested in capital assets, net of related debt	(388)	1,890	6,873	9,330
Restricted	6,131	5,129	4,716	5,087
Unrestricted	<u>35,935</u>	<u>37,886</u>	<u>31,285</u>	<u>21,884</u>
Total primary government net assets	<u>\$ 41,678</u>	<u>44,905</u>	<u>42,874</u>	<u>36,301</u>

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

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

TABLE 8

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Change in Net Assets, Last Four Fiscal Years (Continued)
(Accrual Basis of Accounting)

TABLE 8A

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

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

TABLE 9

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ 1,753,711	\$ 8,276,311	\$ 11,340,908	\$ 12,117,718
Unreserved	32,688,198	28,120,188	20,985,009	13,491,965
Total General Fund	<u>\$ 34,441,909</u>	<u>\$ 36,396,499</u>	<u>\$ 32,325,917</u>	<u>\$ 25,609,683</u>
All Other Governmental Funds				
Reserved	\$ 811,807	\$ 158,600	\$ 489,351	\$ 1,064,339
Unreserved, reported in:				
Special Revenue Funds	287,361	564,245	239,827	188,658
Debt Service Fund	4,633,806	5,587,121	4,883,635	3,731,252
Capital Projects Fund	18,492	51,932	38,963	(385,650)
Total All Other Governmental Funds	<u>\$ 5,751,466</u>	<u>\$ 6,361,898</u>	<u>\$ 5,651,776</u>	<u>\$ 4,598,599</u>

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

Change in Fund Balances, Governmental Funds
Last Four Fiscal Years
(Modified Accrual Basis of Accounting)

TABLE 10

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 June 30, 2006

TABLE 11

Total Assessed Valuation	\$1,438,314,691
Overall Debt Limitation:	
9% of assessed valuation	129,448,322
Gross Indebtedness	24,662,018
Less: Debt outside limitations	0
Net debt within limitations	24,662,018
Legal debt margin within 9% limitation	104,786,304
Unvoted Debt Limitation:	
.1% of assessed valuation	1,438,315
Gross Indebtedness	0.00
Less: Debt outside limitations	0.00
Net debt within limitations	0.00
Legal debt margin within .1% limitation	\$1,438,315

Note: (1) Assessed valuation from Table 6

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

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

TABLE 12

CALENDAR YEAR	ESTIMATED POPULATION (1)	ASSESSED VALUE REAL & PERSONAL PROPERTY (2)	GENERAL BONDED DEBT (3)	RATIO BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1996	36,500	842,203,830	23,816,931	0.0283	652.52
1997	36,500	881,726,701	21,607,931	0.0245	592.00
1998	33,950	910,960,914	39,474,867	0.0433	1,162.74
1999	30,050	1,050,834,000	41,951,184	0.0399	1,396.05
2000	32,636	1,109,602,142	38,480,867	0.0347	1,179.09
2001	33,605	1,123,653,993	35,200,867	0.0313	1,047.49
2002	33,552	1,283,536,556	31,678,867	0.0247	944.17
2003	33,194	1,237,710,627	31,565,330	0.0255	950.93
2004	34,469	1,248,329,774	23,003,103	0.0184	667.36
2005	34,469	1,438,314,691	24,662,018	0.0171	715.48

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

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

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

TABLE 13

GENERAL OBLIGATION BOND DEBT SERVICE

FISCAL YEARS	PRINCIPAL	INTEREST	TOTAL	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)	RATIO OF GENERAL OBLIGATION BOND DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
1997	2,285,000	1,296,177	3,581,177	45,105,758	0.0794
1998	2,209,000	1,151,939	3,360,939	45,716,658	0.0735
(2) 1999	9,623,000	1,223,454	10,846,454	54,822,500	0.1978
2000	3,254,000	1,609,885	4,863,885	61,987,397	0.0785
2001	3,280,000	1,435,012	4,715,012	63,922,252	0.0738
2002	3,522,000	1,278,725	4,800,725	60,336,150	0.0796
2003	3,237,989	1,654,146	4,892,135	60,815,110	0.0804
2004	3,859,000	1,067,648	4,926,648	66,308,778	0.0743
2005	4,050,000	925,162	4,975,162	70,446,248	0.0706
2006	3,061,000	667,895	3,728,895	72,367,837	0.0515

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

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

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2005

TABLE 14

	Assessed Valuation	General Bonded Debt	Percent Overlapping	Applicable To Gahanna-Jefferson City School District
Direct:				
Gahanna-Jefferson City School District	\$1,438,314,691	\$24,662,018	100.00%	\$24,662,018
Overlapping:				
Franklin County	28,168,095,362	144,596,863	5.11%	\$7,388,900
City of Columbus	15,924,317,854	1,507,094,223	1.17%	17,633,002
City of Gahanna	939,977,551	16,730,000	99.40%	16,629,620
Jefferson Township	397,180,727	1,699,090	76.75%	1,304,052
Mifflin Township	987,495,317	<u>329,175</u>	95.99%	<u>315,975</u>
Total overlapping		<u>1,670,449,351</u>		<u>43,271,549</u>
Total direct and overlapping debt		<u>\$1,695,111,369</u>		<u>\$67,933,567</u>

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

PROPERTY VALUE AND CONSTRUCTION
LAST TEN YEARS

TABLE 15

CALENDAR YEAR	RESIDENTIAL		Commercial & Industrial		TOTAL # OF PERMITS	VALUE
	# OF PERMITS	VALUE	# OF PERMITS	VALUE		
1996	179	35,075,834	63	26,617,802	242	61,693,636
1997	180	32,198,743	77	26,790,790	257	58,989,533
1998	162	33,561,865	84	40,693,578	246	74,255,443
1999	122	26,417,684	69	22,154,503	191	48,572,187
2000	124	25,238,275	68	26,927,015	192	52,165,290
2001	90	15,438,697	56	9,737,630	146	25,176,327
2002	81	17,830,399	58	11,206,427	139	29,036,826
2003	287	15,371,775	55	27,647,819	342	43,019,594
2004	96	20,260,456	50	27,013,025	146	47,273,481
2005	45	10,155,440	48	17,386,340	93	27,541,780

Source: City of Gahanna.

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

FREE AND REDUCED MEALS STATISTICS

TABLE 16

Building	# of Students	ADM	Building Percentage	District Percentage
Blacklick Elementary	41	495	0.08	0.01
Chapelfield Elementary	60	351	0.17	0.01
Goshen Lane Elementary	194	383	0.51	0.03
High Point Elementary	10	473	0.02	0.00
Jefferson Elementary	56	408	0.14	0.01
Lincoln Elementary	72	443	0.16	0.01
Royal Manor Elementary	108	330	0.33	0.02
Middle School East	18	511	0.04	0.00
Middle School South	85	589	0.14	0.01
Middle School West	181	622	0.29	0.03
Lincoln High School	199	2,322	0.09	0.03
TOTAL	1024	6,927	0.15	0.15

Source: School District Records

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

STAFF DATA

TABLE 17

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Professional Staff			
Teaching Staff:			
Elementary	201.4	198.8	197.0
Middle	129.2	129.9	131.0
High	138.0	136.2	134.7
Administrators	33.0	30.0	36.0
Support Positions:			
Psychologists	6.0	6.0	6.0
Nurses	3.0	3.0	3.0
Speech*	5.6	5.6	5.4
Occupational Therapists	2.0	2.0	0.0
Instructional Coaches	0.5	0.5	0.5
Case Managers	1.5	1.5	1.5
Counselors	13.5	13.5	13.5
Media Specialists	12.0	12.0	12.0
Secretarial	43.5	43.5	44.5
Aides	21.5	21.5	21.0
Substitute Caller	1.0	1.0	1.0
Hall Monitor/Security	2.0	2.0	2.0
Technical	4.0	4.0	4.0
Cooks/Kitchen Aides	51.0	51.0	51.0
Custodial	44.0	44.0	42.0
Maintenance	12.0	12.0	12.0
Grounds	1.0	1.0	1.0
Bus Drivers	45.0	44.0	43.0
Mechanics	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
Total	773.7	766.1	765.1

Note: *-Includes .44 FTE Auxiliary staff

**-Hired Through Franklin County Educational Services

Source: School District Records

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

School District Facilities Statistics

TABLE 18

Name of Building	Building Total Sq. Feet	Grades	Enrollment FY2006	Capacity	No. of Classroom m Teachers	Pupil/ Teacher Ratio*	Year Building Completed	Date of Additions
Blacklick Elementary	53,000	K-5	462	500	23	20:1	1994	None
Chapelfield Elementary	46,940	K-5	358	500	18	20:1	1968	1991
Goshen Lane Elementary	50,115	K-5	386	500	22	18:1	1966	1990
Jefferson Elementary	60,054	K-5	480	500	23	21:1	1950	1953-99
High Point Elementary	55,000	K-5	425	500	29	15:1	1988	1992
Lincoln Elementary	45,020	K-5	453	500	21	22:1	1957	1931-68-91
Royal Manor Elementary	60,565	K-5	335	500	17	20:1	1965	1990
Middle School East	77,250	6-8	516	700	30	17:1	1975	1999
Middle School South	80,000	6-8	588	700	32	18:1	1992	None
Middle School West	88,200	6-8	629	700	37	17:1	1966	1969
Lincoln High School	432,200	9-12	2,234	2400	127	18:1	A Bldg. 106: 1968-81-95 B Bldg. 192: 1949-87-95 C Bldg. 195: 1956-68-99	
Total			6,866	8,000	379			

Source: School District Records

HISTORICAL ENROLLMENTS BY GRADE

TABLE 19

GRADE	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
K	497	470	502	442	457	388	368	410	400	457
1	593	541	501	523	484	506	432	429	469	439
2	546	566	537	505	523	498	533	455	441	482
3	536	554	584	521	504	516	493	519	491	443
4	538	537	546	573	552	508	532	521	532	522
5	556	545	537	539	566	536	528	556	534	556
6	579	559	555	561	564	588	557	565	581	563
7	562	582	547	541	570	566	618	559	586	590
8	539	573	576	563	566	556	583	640	557	580
9	558	549	593	632	627	592	572	607	694	555
10	535	453	492	494	530	562	547	530	580	648
11	430	439	375	395	432	449	469	474	475	523
12	421	394	450	406	436	438	471	464	479	508
CAREER CENTER	96	90	77	101	92	119	104	107	74	60
TOTALS	6,986	6,852	6,872	6,796	6,903	6,822	6,807	6,836	6,893	6,926

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

GAHANNA-JEFFERSON CITY SCHOOL DISTRICT

DEMOGRAPHICS AND OTHER MISCELLANEOUS STATISTICS

TABLE 20

Enrollment - October, 2005	6,941
Staff - October, 2005	
Certificated	542
Classified	242
Total Staff	<u>784</u>
Buildings	
High School	one
Middle Schools	three
Elementary Schools	seven
Central Office	one
Transportation/Maintenance	one
Classroom Teachers' Average Salary 2005-06	\$61,251
Cost per pupil - Fiscal year (all funds) 2005-06	\$9,558
Valuation per pupil (2006)	\$207,220

Standardized Test Scores (2005-06):

	Gahanna-Jefferson	Ohio	Nation
American College Test (ACT)			
Reading.....	22.5	21.9	21.4
English.....	22.1	20.8	20.6
Mathematics.....	22.0	21.3	20.8
Science.....	22.1	21.5	20.9
Composite.....	22.3	21.5	21.1
Scholastic Aptitude Test (SAT)			
Verbal.....	547.0	535.0	503.0
Mathematics.....	558.0	544.0	518.0
Writing.....	551.0	521.0	497.0

Certiificated Degree Count FY2006

<u>Degree</u>	<u>Count</u>	<u>Degree</u>	<u>Count</u>	<u>Count</u>	<u>Percent</u>
BA.....	35	MA.....	131	Total BA.....	168
BA+12.....	15	MA+12.....	125		31%
BA+150....	118	MA+30.....	57	Total MA.....	374
		MA+45.....	61		69%

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



Mary Taylor, CPA
Auditor of State

GAHANNA JEFFERSON CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 8, 2007**