

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

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2007

**W. VINCE UTTERBACK, TREASURER**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian & Grube, Inc., for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 28, 2008

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

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated December 13, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Pickerington Local School District's basic financial statements. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
December 13, 2007

**PICKERINGTON LOCAL SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>						
(B) Food Donation	10.550	N/A	\$ -	\$ 132,398	\$ -	\$ 132,398
<b>Total Food Donation</b>			<u>-</u>	<u>132,398</u>	<u>-</u>	<u>132,398</u>
<b>Nutrition Cluster:</b>						
(C) (D) School Breakfast Program	10.553	046896-05PU-2006	4,214		4,214	
(C) (D) School Breakfast Program	10.553	046896-05PU-2007	8,037		8,037	
<b>Total School Breakfast Program</b>			<u>12,251</u>		<u>12,251</u>	
(C) (D) National School Lunch Program	10.555	046896-LLP1-2006	156		156	
(C) (D) National School Lunch Program	10.555	046896-LLP4-2006	646		646	
(C) (D) National School Lunch Program	10.555	046896-LLP1-2007	156,970		156,970	
(C) (D) National School Lunch Program	10.555	046896-LLP4-2007	401,528		401,528	
<b>Total National School Lunch Program</b>			<u>559,300</u>		<u>559,300</u>	
<b>Total Nutrition Cluster</b>			<u>571,551</u>		<u>571,551</u>	
<b>Total U.S. Department of Agriculture</b>			<u>571,551</u>	<u>132,398</u>	<u>571,551</u>	<u>132,398</u>
<b>OFFICE OF LIBRARY SERVICES, INSTITUTE OF MUSEUM AND LIBRARY SERVICES, NATIONAL FOUNDATION OF THE ARTS AND HUMANITIES PASSED THROUGH N/A:</b>						
Grants to States	45.310	VIII-6-07	23,906		23,306	
<b>Total Grants to States</b>			<u>23,906</u>		<u>23,306</u>	
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>						
Title I Grants to Local Educational Agencies	84.010	046896-C1S1-2006	-		13,558	
Title I Grants to Local Educational Agencies	84.010	046896-C1S1-2007	252,696		250,607	
<b>Total Title I Grants to Local Educational Agencies</b>			<u>252,696</u>		<u>264,165</u>	
<b>Special Education Cluster:</b>						
Special Education_Grants to States	84.027	046896-6BSD-2006	-		7,735	
Special Education_Grants to States	84.027	046896-6BSF-2006	363,480		468,849	
Special Education_Grants to States	84.027	046896-6BSF-2007	1,039,738		1,037,857	
<b>Total Special Education _Grants to States</b>			<u>1,403,218</u>		<u>1,514,441</u>	
Safe and Drug-Free Schools and Communities_State Grants	84.186	046896-DRS1-2007	20,815		20,815	
<b>Total Safe and Drug-Free Schools and Communities_State Grants</b>			<u>20,815</u>		<u>20,815</u>	
State Grants for Innovative Programs	84.298	046896-C2S1-2007	13,261		13,261	
<b>Total State Grants for Innovative Programs</b>			<u>13,261</u>		<u>13,261</u>	
Education Technology State Grants	84.318	046896-TJS1-2007	2,629		2,629	
<b>Total Education Technology State Grants</b>			<u>2,629</u>		<u>2,629</u>	
English Language Acquisition Grants	84.365	046896-T3S1-2006	39,672		39,672	
English Language Acquisition Grants	84.365	046896-T3S1-2007	-		82	
English Language Acquisition Grants	84.365	046896-T3S2-2007	7,080		7,080	
<b>Total English Language Acquisition Grants</b>			<u>46,752</u>		<u>46,834</u>	
Improving Teacher Quality State Grants	84.367	046896-TRS1-2006	10,698		13,547	
Improving Teacher Quality State Grants	84.367	046896-TRS1-2007	129,447		129,447	
<b>Total Improving Teacher Quality State Grants</b>			<u>140,145</u>		<u>142,994</u>	
Hurricane Education Recovery	84.938	046896-HR01-2006	10,750		10,750	
<b>Total Hurricane Education Recovery</b>			<u>10,750</u>		<u>10,750</u>	
<b>Total U.S. Department of Education</b>			<u>1,890,266</u>		<u>2,015,889</u>	
<b>Total Federal Financial Assistance</b>			<u>\$ 2,485,723</u>	<u>\$ 132,398</u>	<u>\$ 2,610,746</u>	<u>\$ 132,398</u>

(A) This schedule was prepared on the cash basis of accounting.

(B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.

(C) Included as part of "Nutrition Grant Cluster" in determining major programs.

(D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.





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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise Pickerington Local School District's basic financial statements and have issued our report thereon dated December 13, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pickerington Local School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pickerington Local School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Pickerington Local School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Pickerington Local School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Pickerington Local School District's financial statements that is more than inconsequential will not be prevented or detected by Pickerington Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Pickerington Local School District's internal control.

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

Board of Education  
Pickerington Local School District

Compliance and Other Matters

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

Pickerington Local School District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Pickerington Local School District's response and, accordingly, we express no opinion on it.

We noted a certain matter that we reported to the management of Pickerington Local School District in a separate letter dated December 13, 2007.

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

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

Julian & Grube, Inc.  
December 13, 2007



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

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

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

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

Compliance

We have audited the compliance of Pickerington Local School District, Fairfield County, Ohio, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2007. Pickerington Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Pickerington Local School District's management. Our responsibility is to express an opinion on Pickerington Local School District's compliance based on our audit.

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

In our opinion, Pickerington Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2007.

Board of Education  
Pickerington Local School District

Internal Control Over Compliance

The management of Pickerington Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Pickerington Local School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pickerington Local School District's internal control over compliance.

A control deficiency in Pickerington Local School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Pickerington Local School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Pickerington Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Pickerington Local School District's internal control.

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

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



Julian & Grube, Inc.  
December 13, 2007

**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO  
JUNE 30, 2007**

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO  
JUNE 30, 2007**

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

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

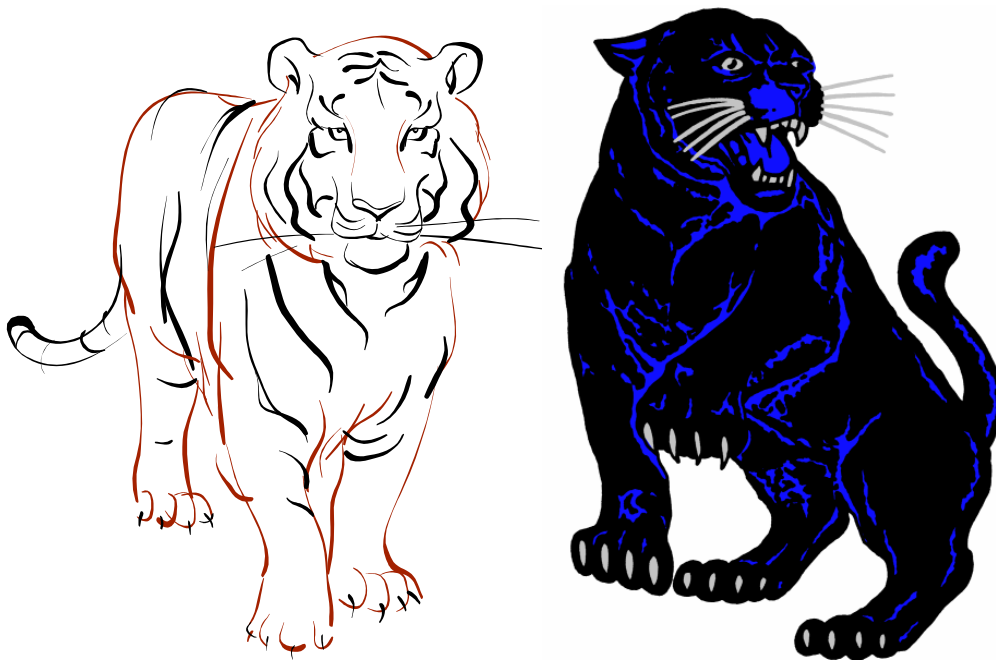
None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

Comprehensive Annual Financial Report

**PICKERINGTON LOCAL SCHOOL DISTRICT**



Board of Education  
Of  
Pickerington Local School District  
Pickerington, Ohio

For Fiscal Year Ended June 30, 2007





**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

OF THE

**PICKERINGTON LOCAL  
SCHOOL DISTRICT**

FOR THE

**FISCAL YEAR ENDED JUNE 30, 2007**

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

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# INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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# Pickerington Local School District

Office of the Treasurer

779 Long Road

Pickerington, Ohio 43147

Phone: (614) 833-2112

Fax: (614) 833-2126

*Vince Utterback*  
Treasurer

*Keltah Houser-Siders*  
Assistant Treasurer

*Dave Decsman*  
Transportation  
Supervisor

*Martha England*  
Grant/Accountability  
Coordinator

Treasurer's Office  
Staff

*Sandy Christian*  
Secretary to Treasurer

*Becky Dellinger*  
Budgetary

*Tereasa Thacker*  
Accounts Payable

January 9, 2008

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

As the Treasurer of the Pickerington Local School District (the "District"), I am pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. The CAFR for the fiscal year ended June 30, 2007 is prepared in accordance with accounting principals generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

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

The basic financial statements of the District for the fiscal year ended June 30, 2007, were audited by Julian & Grube, Inc. whose opinion thereon is included at the beginning of the Financial Section of this report.

In addition to the financial audit a single audit was performed as required by the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

This transmittal letter is designed to provide historical information about the District, as well as complement the required Management's Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

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

## PROFILE OF THE DISTRICT

The District originated in the late 1800's, built its first building in 1907, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, two middle schools, and five elementary schools as of June 30, 2007. The District had approximately 10,016 students during the 2006-2007 school year.

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

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

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

### Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

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

### Budgetary Controls:

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

### Instructional Organization:

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

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

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

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

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

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

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

The voters approved a \$59.9 million bond issue in fiscal 2007 for the purpose of constructing a middle school and two elementary buildings. Construction will take place during fiscal year 2008.

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

While Pickerington High School Central and Pickerington High School North have well-deserved reputations of being two of the finest public high schools in Ohio, efforts have been made to identify and evaluate ways to even better meet the needs and interests of students. Included in these efforts have been Success Academy (an intervention program for at-risk students), mentoring, internships, “double-blocking” of classes to enhance time usage, redefining requirements for honors classes, a review of the graduation requirements, an increase in athletic academic eligibility standards, and expansion of advanced placement course offerings.

With no sign in the immediate future that the rapid growth the District had experienced in recent years would change, the need for additional facilities at the K-6 level continued to be a concern. Additional portable classrooms were installed at all K-6 buildings.

### Performance:

Scholastic Performance: In the spring of 2007, the District met 27 of 30 standards on the State's Local Report Card. The District's performance index of 100 out of 120 earned Pickerington Local Schools a rating of "Continuous Improvement." This is a lower designation than the "Excellent" rating received for the previous school year which was due to the new requirements implemented during the 2006-2007 school year for average yearly progress which was the one area the District had difficulty meeting. The District graduated 98.1% of students for the 2005-2006 school year which was higher than the State average of 86.1%.

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

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

### MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

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

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

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

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

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

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

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

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

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

Arts Instruction: The District believes in the importance of providing opportunities for all its students to experience and excel in arts education. Music and visual arts teachers provide instruction to students K-12. Each K-6 building has its own music and visual arts teacher. All students at the junior high level are enrolled in a creative arts block. Beginning in the middle school students have the opportunity to enroll in instrumental music (including a strings program). At the junior high this is expanded to include both vocal and instrumental music. Students enroll in visual, vocal and instrumental music, and performing arts programs at the high school level. One attending exhibitions and performances provided by these programs witness the impressive talents of Pickerington students and the quality of the instruction provided by our outstanding staff members.

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

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

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

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

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

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

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

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

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

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

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

The District's CCIP goal is “to increase the academic achievement for all students.” Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title II-D (Technology), Title III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title V (Innovative Instructional Program), Part B - IDEA (Special Education).

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

## ECONOMIC CONDITION AND OUTLOOK

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

In 1990, the community approved a school district income tax. It is anticipated that the income tax will provide a better source of funding than the traditional property tax, because of its ability to grow as the District grows.

As can be seen in Note 9 of the financial statements, voters have routinely supported the District in its efforts to keep pace with increased student population.

Ohio House Bill 412 requires school districts to spend a certain portion of their revenues on specific categories of expenditures as specified in the law. In the event that the District does not meet the required expenditure level, the shortfall would be reserved and carried forward to the next fiscal year and would be expected to be spent in addition to any requirement for that fiscal year. Two categories of "set-asides" or reserves are pertinent to the District: the textbook and instructional materials set-aside and the capital acquisition set-aside. The set-asides for the textbook and instructional materials and the capital acquisition are required by state statute. For fiscal 2007, the District had offsets and qualifying disbursements which well exceeded the required set-asides. Given the District's current and anticipated expenditure patterns and levels, the board expects to exceed these requirements for the foreseeable future.

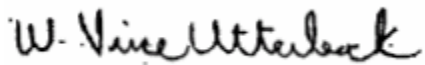
#### AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickerington Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR was made possible by the diligence of the Treasurer's staff and the support of the Board of Education. A special thanks goes out to the Superintendent and the Assistant Treasurer of the District for their input and assistance in this project. In the financial area, as in the instructional area, the goal of excellence is always with us.

Respectfully submitted,



W. Vince Utterback, CPA  
Treasurer

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

**ELECTED OFFICIALS AND ADMINISTRATIVE STAFF**

JUNE 30, 2007

Board of Education Members

President  
Vice President  
Member  
Member  
Member

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

Appointed Officials

Superintendent (retired 06/07)  
Superintendent (hired 04/07)  
Treasurer

Dr. Robert H. Thiede  
Dr. Karen Mantia  
W. Vince Utterback

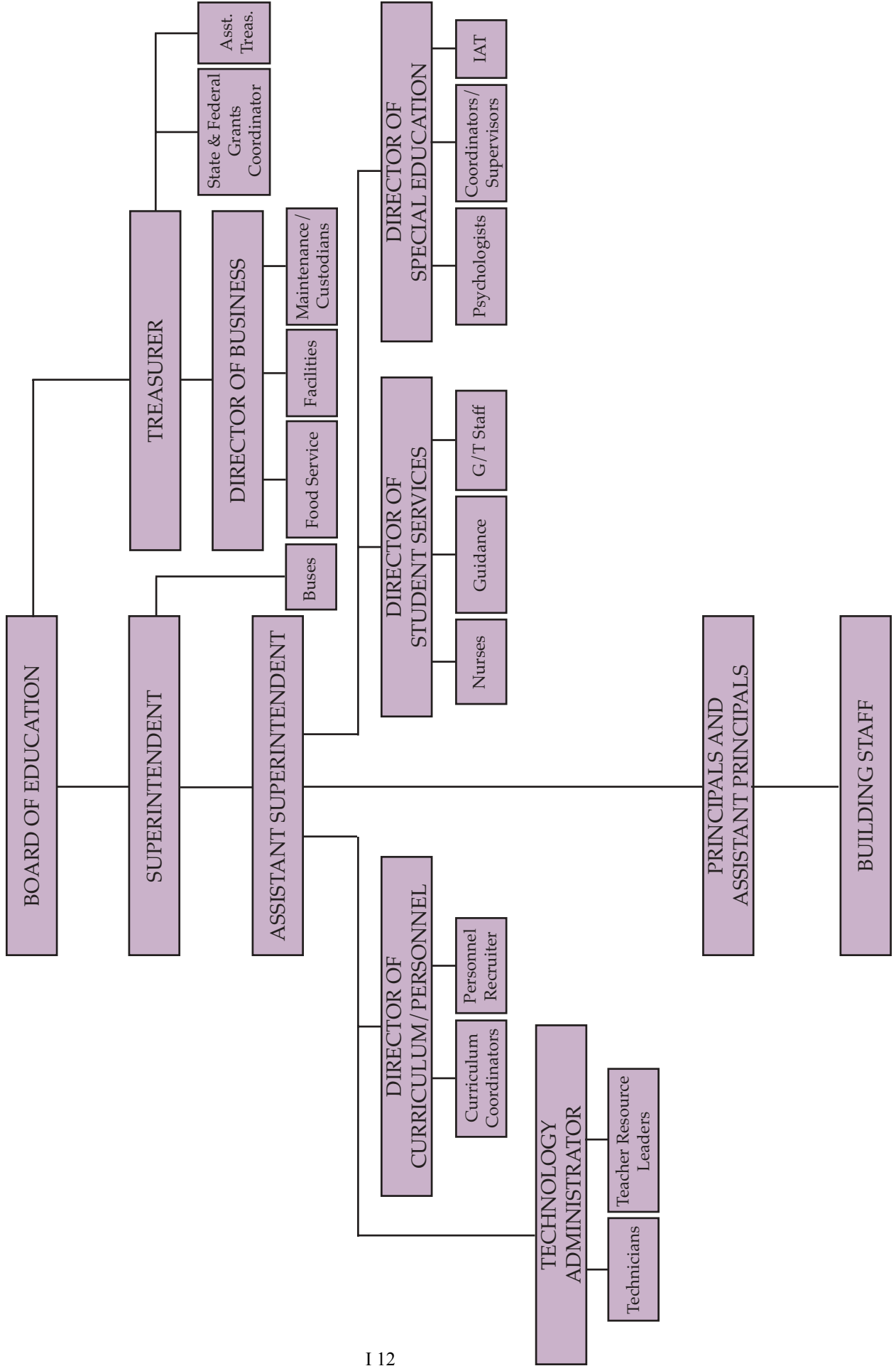
Administrative Staff

Assistant Superintendent  
Director of Instruction  
Director of Student Services  
Assistant Treasurer  
Business Manager  
Principal, Pickerington High School North  
Principal, Pickerington High School Central  
Principal, Lakeview Junior High School  
Principal, Ridgeview Junior High School  
Principal, Diley Middle School  
Principal, Harmon Middle School  
Principal, Fairfield Elementary School  
Principal, Heritage Elementary School  
Principal, Pickerington Elementary School  
Principal, Tussing Elementary School  
Principal, Violet Elementary School

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



# ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pickerington Local School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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.



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## FINANCIAL SECTION

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

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

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise the Pickerington Local School District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Pickerington Local School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pickerington Local School District, Fairfield County, Ohio, as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report  
Pickerington Local School District

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2007, on our consideration of Pickerington Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Julian & Grube, Inc.  
December 13, 2007

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

The management's discussion and analysis of the Pickerington Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2007 are as follows:

- In total, net assets of governmental activities increased \$4,623,251 which represents a 24.75% increase from 2006.
- General revenues accounted for \$95,754,165 in revenue or 90.17% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,438,121 or 9.83% of total revenues of \$106,192,286.
- The District had \$101,647,467 in expenses related to governmental activities; only \$10,438,121 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$95,754,165 were adequate to provide for these programs.
- The District's major governmental funds include the general, district debt service funds, and the building fund. The general fund had \$83,823,807 in revenues and \$82,712,014 in expenditures and other financing uses. During fiscal year 2007, the general fund's fund balance increased \$1,190,225 from \$9,009,898 to \$10,200,123.
- The district debt service fund had \$13,282,637 in revenues and other financing sources and \$10,364,348 in expenditures. The district debt service fund's fund balance increased \$2,918,289 from \$11,159,050 to \$14,077,339.
- The building fund had \$62,211,181 in revenues and other financing sources and \$4,331,024 in expenditures. The building fund's fund balance increased \$57,880,157 from \$430,960 to \$58,311,117.

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page F 10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, district debt service fund, and the building fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F 17 – F 23 of this report.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

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

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F 24 and F 25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F 26 – F 58 of this report.

**The District as a Whole**

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

The table below provides a summary of the District's net assets for 2007 and 2006.

	<b>Net Assets</b>	
	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 138,731,345	\$ 68,556,191
Capital assets, net	<u>114,798,570</u>	<u>115,021,526</u>
Total assets	<u>253,529,915</u>	<u>183,577,717</u>
<b><u>Liabilities</u></b>		
Current liabilities	45,898,293	39,843,308
Long-term liabilities	<u>184,331,265</u>	<u>125,057,303</u>
Total liabilities	<u>230,229,558</u>	<u>164,900,611</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	7,639,245	5,680,217
Restricted	18,391,211	16,510,606
Unrestricted (deficit)	<u>(2,730,099)</u>	<u>(3,513,717)</u>
Total net assets	<u>\$ 23,300,357</u>	<u>\$ 18,677,106</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$23,300,357. At fiscal year-end, restricted net assets were \$18,391,211.

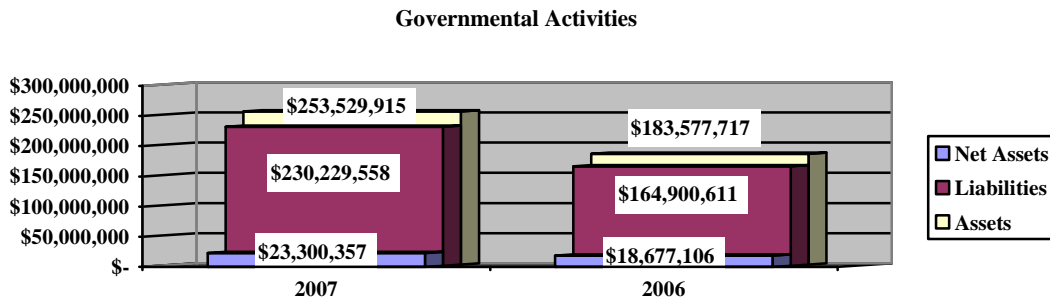
**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

At fiscal year-end, capital assets represented 45.28% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction-in-progress. Investments in capital assets, net of related debt to acquire the assets at June 30, 2007, were \$7,639,245. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$18,391,211, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$2,730,099.

The graph below illustrates the District's assets, liabilities and net assets at June 30, 2007 and 2006.



The table below shows the change in net assets for fiscal years 2007 and 2006. Certain revenue amounts for 2006 have been reclassified to conform to 2007 presentation.

**Change in Net Assets**

	Governmental Activities 2007	Governmental Activities 2006
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 4,277,510	\$ 4,018,761
Operating grants and contributions	6,096,067	5,664,061
Capital grants and contributions	64,544	91,776
General revenues:		
Property taxes	37,664,396	32,174,290
School district income taxes	12,303,735	10,830,531
Grants and entitlements	42,499,856	41,298,633
Investment earnings	3,171,236	1,370,041
Other	114,942	109,646
<b>Total revenues</b>	<b>106,192,286</b>	<b>95,557,739</b>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

**Change in Net Assets**

	Governmental Activities <u>2007</u>	Governmental Activities <u>2006</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 45,562,366	\$ 42,690,019
Special	6,782,936	5,977,721
Vocational	1,074,249	1,034,985
Other	2,217,708	1,796,253
Support services:		
Pupil	4,196,561	4,036,154
Instructional staff	5,741,358	4,983,317
Board of education	455,248	501,735
Administration	7,273,966	7,037,059
Fiscal	1,571,452	1,499,551
Business	185,988	175,317
Operations and maintenance	8,238,497	9,428,349
Pupil transportation	5,286,583	4,501,482
Central	50,333	74,200
Operation of non-instructional services:		
Food service operations	3,224,778	3,420,780
Other non-instructional services	124,132	86,613
Extracurricular activities	2,503,424	2,577,848
Interest and fiscal charges	<u>7,157,888</u>	<u>5,477,377</u>
Total expenses	<u>101,647,467</u>	<u>95,298,760</u>
<b><u>Special Item</u></b>		
Refund from OME-RESA	78,432	-
Change in net assets	4,623,251	258,979
Net assets at beginning of year	<u>18,677,106</u>	<u>18,418,127</u>
Net assets at end of year	<u>\$ 23,300,357</u>	<u>\$ 18,677,106</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$4,623,251. Total governmental expenses of \$101,647,467 were offset by program revenues of \$10,438,121 and general revenues of \$95,754,165. Program revenues supported 10.27% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted grants and entitlements from the State of Ohio. These three revenue sources represent 87.08% of total governmental revenue. Real estate property is reappraised every six years.

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

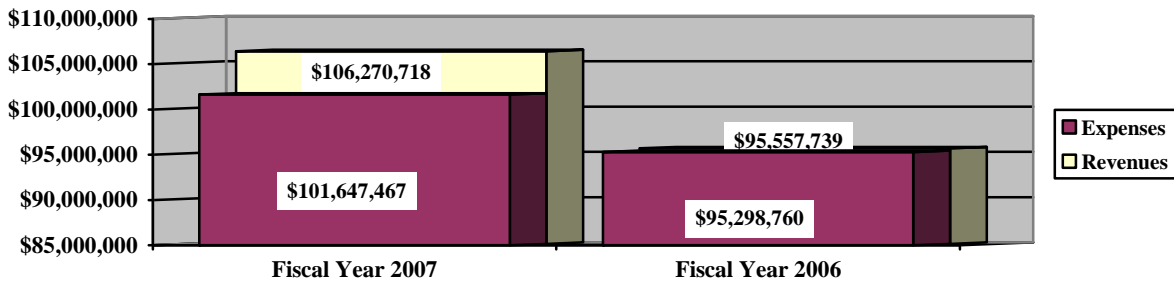
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

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

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

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2007 and 2006.

**Governmental Activities - Revenues and Expenses**



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The 2006 net cost of services for Instruction-Special has been restated to conform to 2007 presentation.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

**Governmental Activities**

	Total Cost of Services <u>2007</u>	Net Cost of Services <u>2007</u>	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 45,562,366	\$ 44,284,144	\$ 42,690,019	\$ 41,462,325
Special	6,782,936	3,774,312	5,977,721	3,128,363
Vocational	1,074,249	914,540	1,034,985	1,034,985
Other	2,217,708	2,217,708	1,796,253	1,796,253
Support services:				
Pupil	4,196,561	3,616,071	4,036,154	3,575,375
Instructional staff	5,741,358	5,322,228	4,983,317	4,474,734
Board of education	455,248	455,248	501,735	500,467
Administration	7,273,966	7,136,852	7,037,059	6,924,767
Fiscal	1,571,452	1,538,724	1,499,551	1,491,554
Business	185,988	185,988	175,317	175,317
Operations and maintenance	8,238,497	8,145,290	9,428,349	9,225,828
Pupil transportation	5,286,583	4,998,234	4,501,482	4,325,633
Central	50,333	49,537	74,200	55,530
Operations of non-instructional services				
Food service operations	3,224,778	144,635	3,420,780	325,091
Other non-instructional services	124,132	10,264	86,613	(5,380)
Extracurricular activities	2,503,424	1,398,141	2,577,848	1,555,943
Interest and fiscal charges	<u>7,157,888</u>	<u>7,017,430</u>	<u>5,477,377</u>	<u>5,477,377</u>
Total expenses	<u>\$ 101,647,467</u>	<u>\$ 91,209,346</u>	<u>\$ 95,298,760</u>	<u>\$ 85,524,162</u>

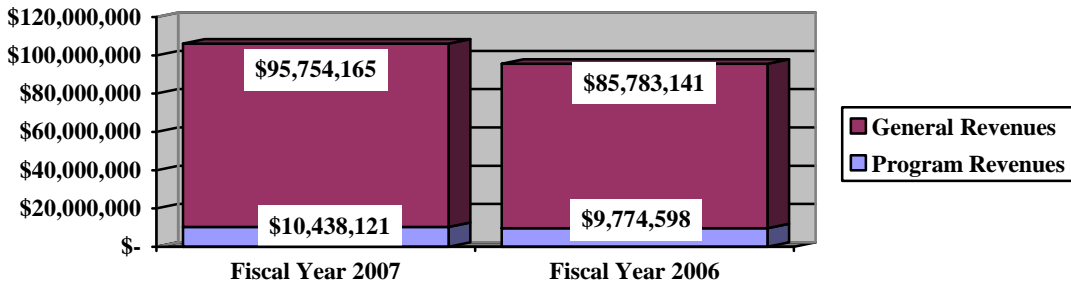
The dependence upon tax and other general revenues for governmental activities is apparent, 92.01% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 89.73%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

The graph below presents the District's governmental activities revenue for fiscal years 2007 and 2006. The amounts for 2006 have been restated to conform to 2007 presentation.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on pages F17 – F18) reported a combined fund balance of \$88,139,436, which is greater than last year's total of \$26,049,837. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2007 and 2006.

	<u>Fund Balance June 30, 2007</u>	<u>Fund Balance June 30, 2006</u>	<u>Increase</u>
General	\$ 10,200,123	\$ 9,009,898	\$ 1,190,225
District debt service	14,077,339	11,159,050	2,918,289
Building	58,311,117	430,960	57,880,157
Other governmental	<u>5,550,857</u>	<u>5,449,929</u>	<u>100,928</u>
Total	<u>\$ 88,139,436</u>	<u>\$ 26,049,837</u>	<u>\$ 62,089,599</u>

The primary reason for the increase in fund balance was the issuance of \$59,900,000 in school improvement bonds which were receipted in the Building fund. Preliminary work began in fiscal year 2007; however construction did not take place during the fiscal year.

**General Fund**

The District's general fund balance increased \$1,190,225. The increase in fund balance can be attributed to an increase in tax revenues, earnings on investments and intergovernmental revenue and less capital acquisition. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 37,531,439	\$ 34,299,575	\$ 3,231,864	9.42 %
Tuition	281,266	286,273	(5,007)	(1.75) %
Earnings on investments	1,863,643	1,195,948	667,695	55.83 %
Intergovernmental	44,069,814	42,552,690	1,517,124	3.57 %
Other revenues	<u>77,645</u>	<u>64,309</u>	<u>13,336</u>	20.74 %
Total	<u>\$ 83,823,807</u>	<u>\$ 78,398,795</u>	<u>\$ 5,425,012</u>	6.92 %
<b><u>Expenditures</u></b>				
Instruction	\$ 50,713,692	\$ 46,617,041	4,096,651	8.79 %
Support services	30,353,340	28,584,043	1,769,297	6.19 %
Extracurricular activities	1,391,265	1,467,482	(76,217)	(5.19) %
Facilities acquisition and construction	<u>253,717</u>	<u>510,985</u>	<u>(257,268)</u>	(50.35) %
Total	<u>\$ 82,712,014</u>	<u>\$ 77,179,551</u>	<u>\$ 5,532,463</u>	7.17 %

Tax revenues increased as a result of an increase in assessed values. Earnings on investments increased due to increases in interest rates. The decrease in facilities acquisition and construction can be attributed to fewer capital acquisitions from the general fund in the current fiscal year.

***District Debt Service Fund***

The District's district debt service fund balance increased \$2,918,289. This increase in fund balance is due to the revenues exceeding the expenditures. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$10,855,537	\$ 8,169,543	\$ 2,685,994	32.88 %
Intergovernmental	<u>1,215,156</u>	<u>1,048,826</u>	<u>166,330</u>	15.86 %
Total	<u>\$12,070,693</u>	<u>\$ 9,218,369</u>	<u>\$ 2,852,324</u>	30.94 %
<b><u>Expenditures</u></b>				
Support services	\$ 182,634	\$ 146,570	\$ 36,064	24.61 %
Debt service	<u>10,181,714</u>	<u>7,884,645</u>	<u>2,297,069</u>	29.13 %
Total	<u>\$10,364,348</u>	<u>\$ 8,031,215</u>	<u>\$ 2,333,133</u>	29.05 %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

***Building Fund***

The District's building fund balance increased \$57,880,157 due to the issuance of school improvement bonds during the fiscal year 2007. Preliminary expenditures were made during the year, however construction did not begin so the fund maintains a significant portion of the bond proceeds in the fund balance at year end. The increase in interest is due to the investments in federal securities made with the bond proceeds. The table that follows assists in illustrating the financial activities and fund balance of the building fund.

	<u>2007</u> <u>Amount</u>	<u>2006</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Earnings on investments	<u>878,580</u>	<u>59,987</u>	<u>818,593</u>	1,364.62 %
Total	<u>\$ 878,580</u>	<u>\$ 59,987</u>	<u>\$ 818,593</u>	1,364.62 %
<b><u>Expenditures</u></b>				
Support services	<u>\$ 4,331,024</u>	<u>\$ 172,908</u>	<u>4,158,116</u>	2,404.81 %
Total	<u>\$ 4,331,024</u>	<u>\$ 172,908</u>	<u>\$ 4,158,116</u>	2,404.81 %

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2007, the District did not amend the general fund's budget. For the general fund, original and final budgeted revenues and other financing sources were \$80,656,165 and \$83,517,948 respectively. Actual revenues, other financing sources and special items for fiscal year 2007 were \$83,826,684. This represents a \$308,736 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated. This increase is due to changes in enrollment figures which effects tuition and intergovernmental estimates in the original and final budgeted amounts. This increase in revenue is also the result of the increases in assessed property values, State revenues and interest revenue.

General fund original and final appropriations (appropriated expenditures plus other financing uses) totaled \$83,692,197 and \$83,762,197 respectively. The actual budget basis expenditures and other financing uses for fiscal year 2007 totaled \$83,143,200, which was \$618,997 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2007, the District had \$114,798,570 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and construction-in-progress. This entire amount is reported in governmental activities. The following table shows fiscal 2007 balances compared to the amount of capital assets in 2006:



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

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

	Governmental Activities	
	2007	2006
Land	\$ 7,645,730	\$ 6,090,899
Construction-in-progress	1,158,379	-
Land improvements	8,498,320	9,072,627
Building and improvements	95,223,643	97,451,837
Furniture and equipment	1,585,862	1,791,751
Vehicles	686,636	614,412
Total	<u>\$ 114,798,570</u>	<u>\$ 115,021,526</u>

The total additions to capital assets for 2007 were \$4,579,641. The primary source for additions occurred in land and ongoing construction. Construction-in-progress consists of preliminary expenditures made on the future construction projects. The overall decrease in capital assets, net of depreciation, of \$222,956 is due to the recording of depreciation in the amount of \$4,802,597.

See Note 7 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

At June 30, 2007, the District had \$176,913,710 in general obligation bonds. Of this total, \$7,408,478 is due within one year and \$169,505,232 is due in greater than one year. The District also had \$1,371,821 outstanding for a lease purchase agreement issued during fiscal year 2007, \$62,219 is due within one year and \$1,309,602 is due in greater than one year.

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

	<b>Outstanding Debt, at Year End</b>	
	Governmental Activities	Governmental Activities
	2007	2006
General obligation bonds	\$ 176,913,710	\$ 120,033,604
Lease purchase agreement	1,371,821	-
Total	<u>\$ 178,285,531</u>	<u>\$ 120,033,604</u>

See Note 9 to the basic financial statements for additional information on the District's debt administration.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007  
(UNAUDITED)**

**Current Financial Related Activity**

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

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

Increasing enrollment translates to both additional staffing and building needs. The District depends heavily on the State - approximately 54% of the (cash-basis) revenue of the General fund is received from the State. State legislators decreased the amount of aid for fiscal year 2003 and then decreased the per pupil amount for all future years. The District's State funding has increased slightly in fiscal year 2007 compared to fiscal year 2006 due to increased enrollment.

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

The District passed a 3.8 mil levy on November 7, 2007, for the construction of two elementary schools and a middle school, as well as improvements to other buildings and new equipment and computers. The District will issue bonds in the amount of \$59,900,000 to be repaid over 28 years.

**Contacting the District's Financial Management**

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

**BASIC  
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS  
JUNE 30, 2007

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . .	\$ 48,276,372
Cash with fiscal agent . . . . .	21,881
Cash in segregated accounts. . . . .	64,124
Investments . . . . .	42,195,353
Receivables:	
Property taxes . . . . .	40,098,394
School district income taxes . . . . .	5,032,720
Accounts. . . . .	13,023
Intergovernmental . . . . .	624,166
Accrued interest . . . . .	1,107,620
Prepayments . . . . .	82,630
Materials and supplies inventory . . . . .	81,882
Unamortized bond issuance costs. . . . .	1,133,180
Capital assets:	
Land and construction-in-progress . . . . .	8,804,109
Depreciable capital assets, net . . . . .	105,994,461
Total capital assets, net . . . . .	114,798,570
 Total assets. . . . .	 253,529,915
 <b>Liabilities:</b>	
Accounts payable. . . . .	860,196
Contracts payable. . . . .	85,900
Accrued wages and benefits . . . . .	7,995,874
Pension obligation payable. . . . .	1,761,345
Intergovernmental payable . . . . .	506,004
Unearned revenue. . . . .	34,153,585
Matured bonds payable. . . . .	20,000
Matured interest payable . . . . .	1,881
Accrued interest payable . . . . .	513,508
Long-term liabilities:	
Due within one year. . . . .	8,268,062
Due in more than one year . . . . .	176,063,203
 Total liabilities . . . . .	 230,229,558
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt. . . . .	7,639,245
Restricted for:	
Capital projects . . . . .	629,328
Debt service. . . . .	14,153,512
School facilities projects . . . . .	2,077,893
Locally funded progams. . . . .	377,550
State funded progams . . . . .	68,682
Federally funded progams. . . . .	388,218
Student activities . . . . .	342,010
Other purposes . . . . .	354,018
Unrestricted (deficit) . . . . .	(2,730,099)
 Total net assets . . . . .	 \$ 23,300,357

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 45,562,366	\$ 749,201	\$ 529,021	\$ -	\$ (44,284,144)
Special . . . . .	6,782,936	3,103	3,005,521	-	(3,774,312)
Vocational . . . . .	1,074,249	-	159,709	-	(914,540)
Other . . . . .	2,217,708	-	-	-	(2,217,708)
Support services:					
Pupil . . . . .	4,196,561	-	580,490	-	(3,616,071)
Instructional staff . . . . .	5,741,358	29,505	389,625	-	(5,322,228)
Board of education . . . . .	455,248	-	-	-	(455,248)
Administration . . . . .	7,273,966	1,567	135,547	-	(7,136,852)
Fiscal . . . . .	1,571,452	-	32,728	-	(1,538,724)
Business . . . . .	185,988	-	-	-	(185,988)
Operations and maintenance . . . . .	8,238,497	80,485	12,722	-	(8,145,290)
Pupil transportation . . . . .	5,286,583	-	223,805	64,544	(4,998,234)
Central . . . . .	50,333	-	796	-	(49,537)
Operation of non-instructional services:					
Food service operations . . . . .	3,224,778	2,321,306	758,837	-	(144,635)
Other non-instructional services . . . . .	124,132	-	113,868	-	(10,264)
Extracurricular activities . . . . .	2,503,424	951,885	153,398	-	(1,398,141)
Interest and fiscal charges . . . . .	7,157,888	140,458	-	-	(7,017,430)
<b>Totals . . . . .</b>	<b>\$ 101,647,467</b>	<b>\$ 4,277,510</b>	<b>\$ 6,096,067</b>	<b>\$ 64,544</b>	<b>(91,209,346)</b>

**General Revenues:**

Property taxes levied for:

General purposes . . . . .	25,849,872
Special revenue . . . . .	362,940
Debt service . . . . .	11,451,584
School district income tax . . . . .	12,303,735
Grants and entitlements not restricted to specific programs . . . . .	42,499,856
Investment earnings . . . . .	3,171,236
Miscellaneous . . . . .	114,942
<b>Total general revenues . . . . .</b>	<b>95,754,165</b>

**Special item:**

Refund from OME-RESA . . . . .	78,432
<b>Total general revenues and special item . . . . .</b>	<b>95,832,597</b>

Change in net assets . . . . .	4,623,251
<b>Net assets at beginning of year . . . . .</b>	<b>18,677,106</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 23,300,357</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	<u>General</u>	<u>District Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . .	\$ 13,477,795	\$ 12,967,041	\$ 16,052,488	\$ 5,779,048
Cash with fiscal agent . . . . .	-	21,881	-	-
Cash in segregated accounts. . . . .	64,124	-	-	-
Investments . . . . .	-	-	42,195,353	-
Receivables:				
Property taxes . . . . .	26,620,174	12,972,859	-	505,361
School district income taxes. . . . .	5,032,720	-	-	-
Accounts . . . . .	13,023	-	-	-
Intergovernmental . . . . .	136,417	-	-	487,749
Accrued interest . . . . .	529,337	-	578,283	-
Prepayments . . . . .	80,458	-	-	2,172
Materials and supplies inventory . . . . .	-	-	-	81,882
<b>Total assets . . . . .</b>	<u>\$ 45,954,048</u>	<u>\$ 25,961,781</u>	<u>\$ 58,826,124</u>	<u>\$ 6,856,212</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 755,801	\$ -	\$ -	\$ 104,395
Contracts payable . . . . .	-	-	85,900	-
Accrued wages and benefits . . . . .	7,847,121	-	-	148,753
Compensated absences payable . . . . .	275,778	-	-	-
Pension obligation payable. . . . .	1,675,362	-	-	85,983
Intergovernmental payable . . . . .	488,505	-	-	17,499
Matured bonds payable. . . . .	-	20,000	-	-
Matured interest payable . . . . .	-	1,881	-	-
Deferred revenue . . . . .	2,012,890	835,859	429,107	520,310
Unearned revenue. . . . .	22,698,468	11,026,702	-	428,415
<b>Total liabilities . . . . .</b>	<u>35,753,925</u>	<u>11,884,442</u>	<u>515,007</u>	<u>1,305,355</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	837,978	-	5,282,702	250,532
Reserved for materials and supplies inventory . . . . .	-	-	-	81,882
Reserved for property tax unavailable for appropriation. . . . .	2,206,532	1,110,298	-	44,385
Reserved for prepayments. . . . .	80,458	-	-	2,172
Reserved for debt service . . . . .	-	12,967,041	-	447,274
Unreserved:				
Designated for budget stabilization . . . . .	2,627,993	-	-	-
Undesignated, reported in:				
General fund. . . . .	4,447,162	-	-	-
Special revenue funds . . . . .	-	-	-	4,260,742
Capital projects funds . . . . .	-	-	53,028,415	463,870
<b>Total fund balances. . . . .</b>	<u>10,200,123</u>	<u>14,077,339</u>	<u>58,311,117</u>	<u>5,550,857</u>
<b>Total liabilities and fund balances . . . . .</b>	<u>\$ 45,954,048</u>	<u>\$ 25,961,781</u>	<u>\$ 58,826,124</u>	<u>\$ 6,856,212</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total  
Governmental  
Funds**

\$ 48,276,372  
21,881  
64,124  
42,195,353  
  
40,098,394  
5,032,720  
13,023  
624,166  
1,107,620  
82,630  
81,882  

---

  
\$ 137,598,165

\$ 860,196  
85,900  
7,995,874  
275,778  
1,761,345  
506,004  
20,000  
1,881  
3,798,166  
34,153,585  

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49,458,729

6,371,212

81,882

3,361,215

82,630

13,414,315

2,627,993

4,447,162

4,260,742

53,492,285

88,139,436

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\$ 137,598,165

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2007

<b>Total governmental fund balances</b>		\$ 88,139,436
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		114,798,570
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,583,594	
Accounts receivable	133,715	
Intergovernmental revenue	487,749	
Interest revenue	593,108	
Total		3,798,166
Unamortized deferred charges are not recognized in the funds.		3,034,064
Unamortized premiums on bond issuances are not recognized in the funds.		(4,844,659)
Unamortized bond issuance costs are not recognized in the funds.		1,133,180
In the statement of activities interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.		(513,508)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(176,913,710)	
Lease purchase obligation	(1,371,821)	
Compensated absences	(3,959,361)	
Total		(182,244,892)
<b>Net assets of governmental activities</b>		<b>\$ 23,300,357</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>General</u>	<u>District Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 37,531,439	\$ 10,855,537	\$ -	\$ 490,773
Tuition. . . . .	281,266	-	-	83,416
Charges for services. . . . .	-	-	-	2,321,306
Earnings on investments. . . . .	1,863,643	-	878,580	32,130
Classroom materials and fees. . . . .	-	-	-	471,038
Extracurricular. . . . .	-	-	-	924,704
Rental income. . . . .	-	-	-	140,458
Other local revenues. . . . .	77,645	-	-	364,414
Intergovernmental - State . . . . .	44,069,814	1,215,156	-	423,823
Intergovernmental - Federal. . . . .	-	-	-	2,541,278
Total revenues. . . . .	<u>83,823,807</u>	<u>12,070,693</u>	<u>878,580</u>	<u>7,793,340</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	41,248,988	-	-	1,242,243
Special. . . . .	6,195,960	-	-	434,951
Vocational. . . . .	1,051,999	-	-	-
Other . . . . .	2,216,745	-	-	-
Support Services:				
Pupil. . . . .	3,491,561	-	-	609,365
Instructional staff . . . . .	4,848,711	-	-	628,953
Board of education . . . . .	449,888	-	-	-
Administration. . . . .	7,174,450	-	-	144,860
Fiscal . . . . .	1,345,437	182,634	-	41,976
Business . . . . .	186,834	-	-	-
Operations and maintenance. . . . .	7,442,424	-	-	28,344
Pupil transportation . . . . .	5,336,721	-	-	10,000
Central . . . . .	77,314	-	-	6,419
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	2,755,163
Other non-instructional services. . . . .	-	-	-	124,132
Extracurricular activities . . . . .	1,391,265	-	-	955,775
Facilities acquisition and construction . . . . .	253,717	-	4,331,024	347,134
Debt service:				
Principal retirement . . . . .	-	5,430,000	-	225,780
Interest and fiscal charges . . . . .	-	4,291,617	-	136,160
Bond issuance costs . . . . .	-	460,097	-	-
Total expenditures . . . . .	<u>82,712,014</u>	<u>10,364,348</u>	<u>4,331,024</u>	<u>7,691,255</u>
Excess of revenues over (under) expenditures . . . . .	<u>1,111,793</u>	<u>1,706,345</u>	<u>(3,452,444)</u>	<u>102,085</u>
<b>Other financing sources (uses):</b>				
Premium on bond issue . . . . .	-	1,211,944	-	-
Issuance of bonds . . . . .	-	-	59,900,000	-
Lease purchase transaction . . . . .	-	-	1,432,601	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>1,211,944</u>	<u>61,332,601</u>	<u>-</u>
<b>Special item:</b>				
Refund from OME-RESA. . . . .	78,432	-	-	-
Net change in fund balances . . . . .	1,190,225	2,918,289	57,880,157	102,085
<b>Fund balances at beginning of year . . . . .</b>	<b>9,009,898</b>	<b>11,159,050</b>	<b>430,960</b>	<b>5,449,929</b>
<b>Decrease in reserve for inventory . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,157)</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 10,200,123</u></b>	<b><u>\$ 14,077,339</u></b>	<b><u>\$ 58,311,117</u></b>	<b><u>\$ 5,550,857</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Total  
Governmental  
Funds**

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\$ 48,877,749  
364,682  
2,321,306  
2,774,353  
471,038  
924,704  
140,458  
442,059  
45,708,793  
2,541,278  

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104,566,420

42,491,231  
6,630,911  
1,051,999  
2,216,745

4,100,926  
5,477,664  
449,888  
7,319,310  
1,570,047  
186,834  
7,470,768  
5,346,721  
83,733

2,755,163  
124,132  
2,347,040  
4,931,875

5,655,780  
4,427,777  
460,097

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105,098,641

(532,221)

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1,211,944  
59,900,000  
1,432,601  

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62,544,545

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78,432

62,090,756  
26,049,837  
(1,157)

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\$ 88,139,436

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

<b>Net change in fund balances - total governmental funds</b>		\$ 62,090,756
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 4,579,641	
Current year depreciation	<u>(4,802,597)</u>	
Total		(222,956)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	1,090,382	
Accounts receivable	133,715	
Intergovernmental	105,321	
Accrued interest	<u>428,893</u>	
Total		1,758,311
Governmental funds report expenditures for inventory when purchased, however, in the statement of activities they are reported as an expense when consumed.		
		(1,157)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement net assets.		
Bonds	5,595,000	
Lease purchase obligation	<u>60,780</u>	
Total		5,655,780
Premiums on debt issuances are recognized as an other financing source in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		(1,211,944)
Bond issuance costs are recognized as expenditures in the governmental funds, however, they are amortized over the life of the issuance in the statement of activities.		
		460,097
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities.		
Increase in accrued interest payable	(191,619)	
Accreted interest on "capital appreciation" bonds	(2,575,106)	
Amortization of bond issuance costs	(40,823)	
Amortization on bond premiums	260,649	
Amortization of deferred charges on refundings	<u>(183,212)</u>	
Total		(2,730,111)
The issuance of of bonds and leases are recorded as an other financing source in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets.		
Issuance of bonds	(59,900,000)	
Proceeds of lease purchase transaction	<u>(1,432,601)</u>	
Total		(61,332,601)
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.		
		<u>157,076</u>
<b>Change in net assets of governmental activities</b>		<u><u>\$ 4,623,251</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 35,939,970	\$ 37,185,844	\$ 37,348,479	\$ 162,635
Tuition. . . . .	260,000	270,000	281,266	11,266
Earnings on investments. . . . .	1,575,554	1,630,171	1,763,462	133,291
Other local revenues. . . . .	52,000	54,000	71,105	17,105
Intergovernmental - State . . . . .	42,707,641	44,186,933	44,069,814	(117,119)
Total revenues. . . . .	<u>80,535,165</u>	<u>83,326,948</u>	<u>83,534,126</u>	<u>207,178</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	41,239,997	41,309,997	41,003,716	306,281
Special. . . . .	6,120,714	6,120,714	6,075,554	45,160
Vocational. . . . .	1,073,570	1,073,570	1,065,649	7,921
Other. . . . .	2,256,096	2,256,096	2,239,450	16,646
Support Services:				
Pupil. . . . .	3,609,223	3,609,223	3,582,593	26,630
Instructional staff . . . . .	4,788,906	4,788,906	4,753,572	35,334
Board of education . . . . .	566,653	566,653	562,472	4,181
Administration. . . . .	7,240,924	7,240,924	7,187,498	53,426
Fiscal . . . . .	1,389,997	1,389,997	1,380,250	9,747
Business . . . . .	188,825	188,825	187,432	1,393
Operations and maintenance. . . . .	8,086,888	8,086,888	8,027,221	59,667
Pupil transportation . . . . .	5,125,259	5,125,259	5,087,443	37,816
Central. . . . .	81,051	81,051	80,453	598
Extracurricular activities. . . . .	1,432,297	1,432,297	1,421,729	10,568
Facilities acquisition and construction. . . . .	491,797	491,797	488,168	3,629
Total expenditures . . . . .	<u>83,692,197</u>	<u>83,762,197</u>	<u>83,143,200</u>	<u>618,997</u>
Excess of revenues over (under) expenditures. . . . .	<u>(3,157,032)</u>	<u>(435,249)</u>	<u>390,926</u>	<u>826,175</u>
<b>Other financing sources:</b>				
Refund of prior year expenditure. . . . .	120,000	120,000	213,179	93,179
Sale of assets . . . . .	1,000	1,000	947	(53)
Total other financing sources . . . . .	<u>121,000</u>	<u>121,000</u>	<u>214,126</u>	<u>93,126</u>
<b>Special item:</b>				
Refund from OME-RESA . . . . .	-	70,000	78,432	8,432
Net change in fund balance . . . . .	(3,036,032)	(244,249)	683,484	927,733
<b>Fund balance at beginning of year . . . . .</b>	10,036,917	10,036,917	10,036,917	-
<b>Prior year encumbrances appropriated . . . . .</b>	1,366,676	1,366,676	1,366,676	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 8,367,561</u>	<u>\$ 11,159,344</u>	<u>\$ 12,087,077</u>	<u>\$ 927,733</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007

	<u>Private-Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 2,950	\$ 139,315
Total assets . . . . .	<u>2,950</u>	<u>\$ 139,315</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	-	\$ 7,211
Deposits held and due to others . . . . .	-	2,069
Due to students . . . . .	-	130,035
Total liabilities . . . . .	<u>-</u>	<u>\$ 139,315</u>
<b>Net Assets:</b>		
Held in trust for scholarships . . . . .	<u>2,950</u>	
Total net assets . . . . .	<u>\$ 2,950</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Gifts and contributions . . . . .	\$ 1,000
Total additions . . . . .	1,000
<b>Deductions:</b>	
Scholarships awarded . . . . .	3,000
Change in net assets . . . . .	(2,000)
<b>Net assets at beginning of year . . . . .</b>	<b>4,950</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 2,950</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

The District ranks as the 17<sup>th</sup> largest by enrollment among the 876 public school districts in the State. The District employs 247 non-certified, 646 certified and 59 administrative employees to provide services to approximately 10,016 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

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

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

**A. Reporting Entity**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

*JOINTLY GOVERNED ORGANIZATIONS*

Metropolitan Education Council (MEC)

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

Eastland-Fairfield Career and Technical Schools (the "Career Center")

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

*PUBLIC ENTITY RISK POOLS*

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

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

Metropolitan Educational Council Liability, Fleet and Property Program

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

**B. Fund Accounting**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

*GOVERNMENTAL FUNDS*

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

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

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

*Building Fund* - This fund used to account for monies received and expended in connection with the renovation and construction of District buildings.

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

*PROPRIETARY FUNDS*

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

*FIDUCIARY FUNDS*

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

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

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

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

**D. Basis of Accounting**

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5).

Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (see Note 16). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2007, but which were levied to finance fiscal year 2008 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2007 are recorded as deferred revenue.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

**E. Budgets**

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

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

*Estimated Resources* - By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final Certificates of Estimated Resources issued during the fiscal year.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

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

**F. Cash and Investments**

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

During fiscal year 2007, investments were limited to nonnegotiable certificates of deposits, federal agency securities, commercial paper, banker's acceptances, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2007.

Under existing Ohio statutes all investment earning are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2007 amounted to \$1,863,643, which includes \$270,108 assigned from other District funds.

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

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

**G. Inventory**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2007, the District maintained a capitalization threshold of \$5,000 dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column on the statement of net assets. The District had no interfund loans receivable or payable at June 30, 2007.

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

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

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

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

**K. Compensated Absences**

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

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

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

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

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

**M. Fund Balance Reserves and Designation**

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

**N. Net Assets**

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

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

**O. Prepayments**

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

**P. Estimates**

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

**Q. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District had no restricted assets at June 30, 2007.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

**R. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. The District had no interfund transfers during the fiscal year.

**S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary items during the fiscal year. The District reported a special item during the fiscal year for a refund from OME-RESA which resulted from ending the self-insurance for dental during the previous fiscal year. The refund is reported as a special item in the financial statements.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Deficit Fund Balances**

Fund balances at June 30, 2007 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Governmental Funds</u>	
SchoolNet Professional Development	\$ 31
Ohio Reads Grant	82
Title VI-B	7,467
Title III	197
Title VI-R	815

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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

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

**A. Cash with Fiscal Agent**

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

**B. Cash in Segregated Accounts**

At fiscal year-end \$57,769 was maintained in a depository account that the District established for funds related to the former self-insurance program with OME-RESA. This depository account is included in total amount of "Deposits with financial institutions" below.

At fiscal year-end, \$6,355 was on deposit with Huntington National Bank for athletic accounts. This amount is included in the total amount of "Deposits with Financial Institutions" below.

**C. Deposits with Financial Institutions**

At June 30, 2007, the carrying amount of all District deposits was \$29,500,763. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$29,988,818 of the District's bank balance of \$30,388,818 was exposed to custodial risk as discussed below, while \$400,000 was covered by the Federal Deposit Insurance Corporation.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

**D. Investments**

As of June 30, 2007, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Banker's acceptance	\$ 828,300	\$ 828,300	\$ -	\$ -	\$ -
Commercial paper	14,627,346	14,627,346	-	-	-
FHLB	12,148,904	3,985,607	2,978,013	3,488,979	1,696,305
FHLMC	2,496,605	-	2,496,605	-	-
FHLMC Discount Note	5,951,907	5,951,907	-	-	-
FNMA	12,351,256	8,259,582	-	998,000	3,093,674
FNMA Discount Note	11,323,235	11,323,235	-	-	-
STAR Ohio	1,471,679	1,471,679	-	-	-
	<u>\$ 61,199,232</u>	<u>\$ 46,447,656</u>	<u>\$ 5,474,618</u>	<u>\$ 4,486,979</u>	<u>\$ 4,789,979</u>

The weighted average maturity of investments is .39 years.

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

*Credit Risk:* The District's investments, in federal securities and Banker's Acceptance, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in commercial paper were rated P1 and A1+ by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio and AAAM money market rating.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

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

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2007:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Banker's acceptance	\$ 828,300	1.35
Commerical paper	14,627,346	23.90
FHLB	12,148,904	19.85
FHLMC	2,496,605	4.08
FHLMC Discount note	5,951,907	9.73
FNMA	12,351,256	20.18
FNMA Discount note	11,323,235	18.51
STAR Ohio	<u>1,471,679</u>	<u>2.40</u>
	<u>\$ 61,199,232</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2007:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 29,500,763
Investments	<u>61,199,232</u>
Total	<u>\$ 90,699,995</u>
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 90,557,730
Private-purpose trust fund	2,950
Agency funds	<u>139,315</u>
Total	<u>\$ 90,699,995</u>

**NOTE 5 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible (used in business) property located in the school district. All property taxes are collected on behalf of the District by the auditors of Fairfield and Franklin Counties. Fairfield County collects approximately 98% and Franklin County 2% of the District's taxes. Due and collection dates for taxes due during 2007 were:

<u>Fairfield County</u>	<u>Franklin County</u>
July 27, 2006	January 20, 2007
November 4, 2006	January 25, 2007
April 30, 2006	June 20, 2007
February 19, 2007	

Real property and tangible personal property taxes collected during fiscal year 2007 had a lien and levy date of January 1, 2006.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 5 - PROPERTY TAXES - (Continued)**

Assessed values are established by state law at 35% of appraised market value for real estate and public utility property taxes and at 25% for tangible personal property taxes. A revaluation of all property is required to be completed no less than every six years. The last revaluation was completed in December 2001. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). The assessed values upon which fiscal year 2007 taxes were collected are:

	Calendar 2006 Second <u>Half Collections</u>	Calendar 2007 First <u>Half Collections</u>
Real estate	\$ 974,433,660	\$ 1,020,662,560
Public utility	15,671,040	14,706,530
Tangible personal property	<u>10,671,040</u>	<u>6,205,133</u>
Total	<u>\$ 1,000,775,740</u>	<u>\$ 1,041,574,223</u>

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .45% (4.5 mills) of assessed value. Increases in the property tax rate are restricted only by voter willingness to approve such increases. The total tax rate for the District was 76.90 mills in 2007.

Public utility property tax revenue received in calendar 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 became a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. For 2006, tangible personal property was assessed at 18.75% for property including inventory. This percentage was reduced to 12.5% for 2007, and will be 6.25% for 2008 and zero for 2009. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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



**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - PROPERTY TAXES - (Continued)**

The Fairfield and Franklin County Treasurers collect property tax on behalf of the District. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property, and public utility taxes, which became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current fiscal year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to unearned revenue. The amount available as an advance and recorded as revenue at June 30, 2007, was \$2,206,532 in the general fund, \$1,110,298 in the District Debt Service fund, and \$44,385 in the Facilities Maintenance fund (a nonmajor governmental fund). The amount available as an advance and recorded as revenue at June 30, 2006, was \$2,821,451 in the general fund, \$1,017,266 in the District Debt Service fund, and \$56,930 in the Facilities Maintenance fund (a nonmajor governmental fund).

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

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

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2007 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net assets follows:

<b>Governmental Activities</b>	
Property taxes	\$ 40,098,394
School district income taxes	5,032,720
Accounts	13,023
Intergovernmental	624,166
Accrued interest	<u>1,107,620</u>
Total	<u>\$ 46,875,923</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance <u>June 30, 2006</u>	Additions	Deductions	Balance <u>June 30, 2007</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,090,899	\$ 1,554,831	\$ -	\$ 7,645,730
Construction in progress	-	1,158,379	-	1,158,379
Total capital assets, not being depreciated	<u>6,090,899</u>	<u>2,713,210</u>	-	<u>8,804,109</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	12,273,053	-	-	12,273,053
Building and improvements	134,625,390	1,670,122	-	136,295,512
Furniture and equipment	3,749,599	45,102	-	3,794,701
Vehicles	949,007	151,207	-	1,100,214
Total capital assets, being depreciated	<u>151,597,049</u>	<u>1,866,431</u>	-	<u>153,463,480</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(3,200,426)	(574,307)	-	(3,774,733)
Building and improvements	(37,173,553)	(3,898,316)	-	(41,071,869)
Furniture and equipment	(1,957,848)	(250,991)	-	(2,208,839)
Vehicles	(334,595)	(78,983)	-	(413,578)
Total accumulated depreciation	<u>(42,666,422)</u>	<u>(4,802,597)</u>	-	<u>(47,469,019)</u>
Governmental activities capital assets, net	<u>\$ 115,021,526</u>	<u>\$ (222,956)</u>	<u>\$ -</u>	<u>\$ 114,798,570</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 3,232,276
Special	168,432
Vocational	16,462
Other	3,340

Support Services:

Pupil	109,605
Instructional Staff	256,890
Board of Education	5,360
Administration	63,016
Operations and Maintenance	229,300
Pupil Transportation	78,145
Extracurricular Activities	165,868
Food Service Operation	473,903
Total depreciation expense	<u>\$ 4,802,597</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 8 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During fiscal year 2007, the District entered into a lease-purchase agreement with Fifth Third Bank. This lease meets the criteria of a lease-purchase as defined by FASB Statement No. 13, "Accounting for Leases", which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to construct a bus/maintenance facility. At June 30, 2007, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,432,601. Based upon the completion date of the project, no depreciation was reported for fiscal year 2007, therefore, at June 30, 2007, the current book value was \$1,432,601. Lease-purchase payments have been reflected as debt service expenditures from the Other Local Grants fund (a nonmajor governmental fund). Principal payments in the amount of \$60,780 were made during fiscal year 2007.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2007.

Fiscal Year Ending <u>June 30</u>	<u>Total</u>
2008	\$ 153,886
2009	153,885
2010	153,885
2011	153,885
2012	153,885
2013 - 2017	769,426
2018 - 2022	<u>615,519</u>
Total minimum lease payments	2,154,371
Less: amount representing interest	<u>(782,550)</u>
Present value of minimum lease payments	<u>\$ 1,371,821</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 9 - LONG-TERM OBLIGATIONS**

**A. General Obligation Bonds**

The District has nine outstanding general obligation bond issues outstanding. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and construction of a public library. These general obligation bonds are direct obligations of the District for which its full faith, credit, and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for in the statement of net assets. Payments of principal and interest relating to these bonds are recorded as expenditures in the District's Debt Service fund. Public library refund bonds are being repaid from the library debt service fund (a nonmajor governmental fund). The following is a summary of the District's general obligation bonds outstanding at June 30, 2007:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>General Obligation Bonds:</b>				
Series 1993, capital appreciation bonds	\$ 769,627	\$ -	\$ -	\$ 769,627
Series 1993, capital appreciation bonds accreted interest	4,642,965	914,095	-	5,557,060
Series 1994, current interest bonds	2,060,000	-	(470,000)	1,590,000
Series 1999, current interest bonds	3,845,000	-	(710,000)	3,135,000
Series 1999, capital appreciation bonds	599,708	-	-	599,708
Series 1999, capital appreciation bonds accreted interest	481,656	89,469	-	571,125
Series 2001, current interest bonds	9,175,000	-	(1,380,000)	7,795,000
Series 2001, capital appreciation bonds	14,664,893	-	-	14,664,893
Series 2001, capital appreciation bonds accreted interest	3,793,901	950,289	-	4,744,190
<b>Public Library Refunding Bonds:</b>				
Series 2002, current interest bonds	1,320,000	-	(165,000)	1,155,000
Series 2002, capital appreciation bonds	40,000	-	-	40,000
Series 2002, capital appreciation bonds accreted interest	23,875	8,912	-	32,787

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2007</u>
<b>General Obligation Bonds:</b>				
Series 2003, current interest bonds	\$ 1,730,000	\$ -	\$ (1,730,000)	\$ -
Series 2003, capital appreciation bonds	1,314,998	-	-	1,314,998
Series 2003, capital appreciation bonds accreted interest	172,924	70,556	-	243,480
Series 2004, current interest bonds	7,295,000	-	(60,000)	7,235,000
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	49,126	29,185	-	78,311
Series 2006, current interest refunding bonds	62,670,000	-	(1,080,000)	61,590,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	130,030	512,600	-	642,630
Series 2007, current interest bonds	<u>-</u>	<u>59,900,000</u>	<u>-</u>	<u>59,900,000</u>
Total general obligation bonds	<u>\$ 120,033,604</u>	<u>\$ 62,475,106</u>	<u>\$ (5,595,000)</u>	<u>\$ 176,913,710</u>

*Series 1993 General Obligation Bonds* - On March 15, 1993, the District issued general obligation bonds to provide funds for the construction of a new high school. The current interest bonds were refunded by the Series 2003 Refunding General Obligation Bonds; however, the capital appreciation bonds are still outstanding.

This outstanding portion of the issue consists of capital appreciation bonds, par value \$769,627. The capital appreciation bonds mature on each December 1 beginning in 2009 through 2014. The capital appreciation bonds have effective interest rates ranging from 15.80% to 15.90% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$11,400,000. A total of \$5,557,060 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2007.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Series 1994 General Obligation Bond - On February 1, 1994, the District issued current interest general obligation bonds to finance a new elementary school building, various additions to other school buildings, and technology equipment district-wide. A portion of the current interest bonds were refunded by the Series 2004 Refunding General Obligation Bonds. The remaining bonds bear an interest rate of 5.21% and mature on December 1, 2009.

Series 1999 General Obligation Bonds - On January 1, 1999, the District issued general obligation bonds to provide funds for acquiring and constructing two new middle schools, renovating the old middle school, furnishing and equipping the same, and providing related facilities, appurtenances, and site improvements, site acquisition and portable classrooms. A portion of the current interest bonds were refunded by the Series 2006 Refunding General Obligation bonds.

At June 30, 2007, the remaining issue is comprised of both current interest bonds, par value \$3,135,000, and capital appreciation bonds, par value \$599,708. The interest rates on the current interest bonds range from 3.10% to 5.00%. The capital appreciation bonds mature on December 1, 2011 (effective interest 8.38%) and December 1, 2012 (effective interest 8.16%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$1,740,000. A total of \$571,125 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2007.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated for the current interest bonds is December 1, 2010.

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

At June 30, 2007, the remaining issue is comprised of both current interest bonds, par value \$7,795,000, and capital appreciation bonds, par value \$14,664,893. The interest rates on the current interest bonds range from 3.00% to 5.25%. The capital appreciation bonds mature on each December 1 beginning in 2010 through 2016. The capital appreciation bonds have effective interest rates ranging from 5.14% to 5.15% and mature at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$26,880,000. A total of \$4,744,190 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2007.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated on the current interest bonds is December 1, 2009.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The refunding issue is comprised of both current interest bonds, par value \$1,840,000, and capital appreciation bonds, par value \$40,000. The average interest rate on the current interest bonds is 3.08%. The capital appreciation bonds mature each December 1, 2015 and 2016 (effective interest 13.95%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$235,000. Total accreted interest of \$32,787 has been included in the statement of net assets.

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated on the current interest bonds is December 1, 2014.

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

The refunding issue is comprised of both current interest bonds, par value \$5,100,000, and capital appreciation bonds, par value \$1,314,998. The average interest rate on the current interest bonds is 2.50%. The capital appreciation bonds mature December 1, 2007 (effective interest 2.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$1,595,000. Total accreted interest of \$243,480 has been included on the statement of net assets.

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2007.

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

The refunding issue is comprised of both current interest bonds, par value \$7,355,000, and capital appreciation bonds, par value \$144,994. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2016 (effective interest 14.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds (as of issue date) reported on the statement of net assets at June 30, 2007 was \$845,000. Total accreted interest of \$78,311 has been included on the statement of activities.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

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

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

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

The refunding issue is comprised of both current interest bonds, par value \$62,670,000, and capital appreciation bonds, par value \$5,109,907. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2017, December 1, 2018 and December 1, 2019 (effective interest 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$16,780,000. Total accreted interest of \$642,630 has been included on the statement of activities.

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

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

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034.



**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

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

Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 5,850,000	\$ 6,480,331	\$ 12,330,331	\$ 1,314,998	\$ 280,002	\$ 1,595,000
2009	6,125,000	6,238,491	12,363,491	168,873	1,606,127	1,775,000
2010	6,520,000	5,974,992	12,494,992	153,469	1,721,531	1,875,000
2011	3,640,000	5,360,585	9,000,585	2,563,932	3,621,068	6,185,000
2012	2,910,000	5,230,340	8,140,340	2,732,473	4,047,527	6,780,000
2013 - 2017	18,840,000	24,667,145	43,507,145	10,600,474	13,884,526	24,485,000
2018 - 2022	22,745,000	16,658,327	39,403,327	5,109,908	11,670,092	16,780,000
2023 - 2027	40,140,000	12,219,019	52,359,019	-	-	-
2028 - 2032	25,180,000	4,343,712	29,523,712	-	-	-
2033 - 2035	10,450,000	678,512	11,128,512	-	-	-
<b>Total</b>	<b>\$ 142,400,000</b>	<b>\$ 87,851,454</b>	<b>\$ 230,251,454</b>	<b>\$ 22,644,127</b>	<b>\$ 36,830,873</b>	<b>\$ 59,475,000</b>

The difference in the amount due in one year in the schedule below in C. and the amortization schedule is \$36,522 of accreted interest which will accrete during fiscal year 2008.

- C.** During the fiscal year 2007, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2006	Additions	Reductions	Balance Outstanding June 30, 2007	Amounts Due in One Year
<b>Governmental Activities:</b>					
<b>General Obligation Bonds:</b>					
General obligation bonds	\$ 120,033,604	\$ 62,475,106	\$ (5,595,000)	\$ 176,913,710	\$ 7,408,478
Total general obligation bonds payable	120,033,604	62,475,106	(5,595,000)	176,913,710	7,408,478
<b>Other Long-Term Obligations:</b>					
Lease Purchase	-	1,432,601	(60,780)	1,371,821	62,219
Compensated absences	4,347,611	766,760	(879,232)	4,235,139	797,365
Total other long-term obligations	4,347,611	2,199,361	(940,012)	5,606,960	859,584
Total governmental activities	\$ 124,381,215	\$ 64,674,467	\$ (6,535,012)	182,520,670	\$ 8,268,062
Less: Unamortized deferred charges on refundings				(3,034,064)	
Add: Unamortized premiums on refundings				4,844,659	
Total on statement of net assets				\$ 184,331,265	

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Lease Purchase Agreement – The District entered a lease purchase agreement during fiscal year 2007 for the construction of a bus/maintenance facility. See Note 8 for details.

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

**D. Legal Debt Margin**

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

The Ohio Revised Code further provides that when a board of education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that District a "special needs" District. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The District was determined to be a "special needs" District on March 28, 1996 and confirmed on October 5, 2000 and again in October, 2006. In addition, the unvoted net debt of a school district cannot exceed 0.1 percent of the total assessed value of property. On June 30, 2007 the District had no unvoted debt.

**E. State Loans**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 10 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

**NOTE 11 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participated in the MEC Liability, Fleet and Property Program beginning July 1, 2004. The program provides coverage for the group through excess liability for \$250,000,000. The following is the District's insurance coverage through the group purchasing program described in Note 2.A:

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

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

**B. Group Health and Dental Insurance**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 11 - RISK MANAGEMENT - (Continued)**

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

**C. OSBA Group Workers' Compensation Rating Plan**

For fiscal year 2007, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

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

**NOTE 12 - PENSION PLANS**

**A. School Employees Retirement System**

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board.

The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$823,266, \$783,498, and \$709,354, respectively; 50% has been contributed for fiscal year 2007 and 100% for the fiscal years 2006 and 2005. \$415,531 represents the unpaid pension contribution for fiscal year 2007 and is recorded as a liability within the respective funds.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 12 - PENSION PLANS - (Continued)**

**B. State Teachers Retirement System**

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

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

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

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal years 2006 and 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 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005 were \$5,897,218, \$5,430,187, and \$5,044,670, respectively; 83% has been contributed for fiscal year 2007 and 100% for the fiscal years 2006 and 2005. \$987,762 represents the unpaid pension contribution for fiscal year 2007 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2007 were \$107,433 made by the District and \$197,158 made by plan members.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 12 - PENSION PLANS - (Continued)**

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2007, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System 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 reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

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 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, 2007, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$453,632 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.5 billion. For the fiscal year ended June 30, 2006 (the latest information available), net health care costs paid by STRS Ohio were \$282.743 million and STRS Ohio had 119,184 eligible benefit recipients.

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

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, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, a decrease of .10 percent from fiscal year 2006. 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 2007, the minimum pay was established at \$35,800. Total surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, District paid \$396,209 to fund health care benefits, including the surcharge.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 13 - POSTEMPLOYMENT BENEFITS - (Continued)**

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 year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158.751 million. At June 30, 2006 (the latest information available), SERS had net assets available for payment of health care benefits of \$295.6 million. At June 30, 2006 (the latest information available), SERS had 59,492 participants currently receiving health care benefits.

**NOTE 14 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

<b>Net Change in Fund Balance</b>	
	<u>General Fund</u>
Budget basis	\$ 683,484
Net adjustment for revenue accruals	289,681
Net adjustment for expenditure accruals	(790,889)
Net adjustment for other sources/uses	(214,126)
Adjustment for encumbrances	<u>1,222,075</u>
GAAP basis	<u><u>\$ 1,190,225</u></u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

A lawsuit has been filed by the Columbia Gas Transmission Corporation arguing that the Corporation's public utility property tax assessment rate should be 25% of true value rather than the 88% used by the Tax Commissioner. The Board of Tax Appeals has agreed with the Corporation and the case has been appealed by the Tax Commissioner to the Ohio Supreme Court. The District receives a significant amount of property tax from the Corporation. Should the Corporation prevail in the Supreme Court, it may be entitled to a refund from the District based on the lower assessment rate beginning from tax year 2001. The amount of the refund is estimated to be approximately \$64,754 per year. A portion of the refund may be recovered from additional State entitlement payments.

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

**NOTE 16 - SCHOOL DISTRICT INCOME TAX**

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2007, the District income tax generated \$12,303,735 in revenue. The District apportions all the proceeds to the general fund.

**NOTE 17 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2007, the reserve activity was as follows:

	Textbooks/ Instructional Materials	Capital Acquisition
Set-aside carry forward as of June 30, 2006	\$ (4,624,984)	\$ (85,678,532)
Current year set-aside requirement	1,457,995	1,457,995
Current year offsets - debt related	-	(59,900,000)
Qualifying disbursements	<u>(1,835,840)</u>	<u>(653,923)</u>
Total	<u>\$ (5,002,829)</u>	<u>\$ (144,774,460)</u>
Balance carried forward to FY 2008	<u>\$ (5,002,829)</u>	<u>\$ (144,774,460)</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**NOTE 17 - STATUTORY RESERVES - (Continued)**

The District had qualifying disbursements during the year and prior years that reduced the set-aside amounts below zero for the textbooks/instructional materials. This negative amount is presented as being carried forward to the next fiscal year.

The District had offsets (both current year and prior year) and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve. The negative amounts due to debt related offsets are being carried forward to the next fiscal year.

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

**NOTE 18 - CONTRACTUAL COMMITMENTS**

The District had the following contractual commitments outstanding at June 30, 2007 related to construction contracts:

Contractor	Total Contract	Amount Paid By June 30, 2007	Remaining Commitment
Steed Hammond Paul (Architect)	\$ 3,042,778	\$ (825,876)	\$ 2,216,902
Ruscilli Construction (Construction Manager)	<u>2,563,969</u>	<u>(200,000)</u>	<u>2,363,969</u>
Total	<u>\$ 5,606,747</u>	<u>\$ (1,025,876)</u>	<u>\$ 4,580,871</u>

**NOTE 19 - SIGNIFICANT SUBSEQUENT EVENT**

On November 6, 2007, the voters passed a permanent 5 mil levy for operations.

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COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

**PICKERINGTON LOCAL SCHOOLS  
FAIRFIELD COUNTY, OHIO**

**MAJOR FUNDS**

**General Fund**

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

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

**District Debt Service Fund**

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

**Building Fund**

This fund is used to account for monies received and expended in connection with the renovation and construction of District buildings.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>District Debt Service</b>				
Total Revenues and Other Sources	\$ 9,278,000	\$ 11,723,992	\$ 12,729,508	\$ 1,005,516
Total Expenditures and Other Uses	<u>9,141,854</u>	<u>10,326,551</u>	<u>9,904,251</u>	<u>422,300</u>
Net Change in Fund Balances	136,146	1,397,441	2,825,257	1,427,816
Fund Balance, July 1	<u>10,141,784</u>	<u>10,141,784</u>	<u>10,141,784</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,277,930</u>	<u>\$ 11,539,225</u>	<u>\$ 12,967,041</u>	<u>\$ 1,427,816</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Building</b>				
Total Revenues and Other Sources	\$ -	\$ 59,900,000	\$ 68,728,973	\$ 8,828,973
Total Expenditures and Other Uses	<u>413,613</u>	<u>20,413,613</u>	<u>16,459,648</u>	<u>3,953,965</u>
Net Change in Fund Balances	(413,613)	39,486,387	52,269,325	12,782,938
Fund Balance, July 1	18,128	18,128	18,128	-
Prior Year Encumbrances Appropriated	<u>413,613</u>	<u>413,613</u>	<u>413,613</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 18,128</u>	<u>\$ 39,918,128</u>	<u>\$ 52,701,066</u>	<u>\$ 12,782,938</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 4,667,689	\$ 447,274	\$ 664,085	\$ 5,779,048
Receivables:				
Property taxes . . . . .	360,209	145,152	-	505,361
Intergovernmental . . . . .	487,749	-	-	487,749
Prepayments. . . . .	2,172	-	-	2,172
Materials and supplies inventory . . . . .	81,882	-	-	81,882
Total assets. . . . .	<u>\$ 5,599,701</u>	<u>\$ 592,426</u>	<u>\$ 664,085</u>	<u>\$ 6,856,212</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 71,035	\$ -	\$ 33,360	\$ 104,395
Accrued wages and benefits . . . . .	148,753	-	-	148,753
Pension obligation payable. . . . .	85,983	-	-	85,983
Intergovernmental payable . . . . .	17,499	-	-	17,499
Deferred revenue. . . . .	510,958	9,352	-	520,310
Unearned revenue . . . . .	305,044	123,371	-	428,415
Total liabilities. . . . .	<u>1,139,272</u>	<u>132,723</u>	<u>33,360</u>	<u>1,305,355</u>
<b>Fund balances:</b>				
Reserved for encumbrances. . . . .	83,677	-	166,855	250,532
Reserved for materials and supplies inventory . . .	81,882	-	-	81,882
Reserved for property tax unavailable for appropriation. . . . .	31,956	12,429	-	44,385
Reserved for prepayments. . . . .	2,172	-	-	2,172
Reserved for debt service . . . . .	-	447,274	-	447,274
Unreserved-undesignated:				
Special revenue funds . . . . .	4,260,742	-	-	4,260,742
Capital projects funds . . . . .	-	-	463,870	463,870
Total fund balances . . . . .	<u>4,460,429</u>	<u>459,703</u>	<u>630,725</u>	<u>5,550,857</u>
Total liabilities and fund balances. . . . .	<u>\$ 5,599,701</u>	<u>\$ 592,426</u>	<u>\$ 664,085</u>	<u>\$ 6,856,212</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 355,104	\$ 135,669	\$ -	\$ 490,773
Tuition . . . . .	83,416	-	-	83,416
Charges for services . . . . .	2,321,306	-	-	2,321,306
Earnings on investments . . . . .	32,010	-	120	32,130
Classroom materials and fees . . . . .	471,038	-	-	471,038
Extracurricular . . . . .	924,704	-	-	924,704
Rental income . . . . .	140,458	-	-	140,458
Other local revenues . . . . .	273,065	-	91,349	364,414
Intergovernmental - State . . . . .	407,974	15,849	-	423,823
Intergovernmental - Federal . . . . .	2,541,278	-	-	2,541,278
<b>Total revenues . . . . .</b>	<b>7,550,353</b>	<b>151,518</b>	<b>91,469</b>	<b>7,793,340</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	1,242,243	-	-	1,242,243
Special . . . . .	434,951	-	-	434,951
Support services:				
Pupil . . . . .	609,365	-	-	609,365
Instructional staff . . . . .	471,325	-	157,628	628,953
Administration . . . . .	144,860	-	-	144,860
Fiscal . . . . .	39,635	2,341	-	41,976
Operations and maintenance . . . . .	28,344	-	-	28,344
Pupil transportation . . . . .	10,000	-	-	10,000
Central . . . . .	6,419	-	-	6,419
Operation of non-instructional services:				
Food service operations . . . . .	2,755,163	-	-	2,755,163
Other non-instructional services . . . . .	124,132	-	-	124,132
Extracurricular activities . . . . .	955,775	-	-	955,775
Facilities acquisition and construction . . . . .	150,309	-	196,825	347,134
Debt service:				
Principal retirement . . . . .	60,780	165,000	-	225,780
Interest and fiscal charges . . . . .	93,105	43,055	-	136,160
<b>Total expenditures . . . . .</b>	<b>7,126,406</b>	<b>210,396</b>	<b>354,453</b>	<b>7,691,255</b>
Net change in fund balances . . . . .	423,947	(58,878)	(262,984)	102,085
<b>Fund balances, July 1 . . . . .</b>	<b>4,037,639</b>	<b>518,581</b>	<b>893,709</b>	<b>5,449,929</b>
<b>Decrease in reserve for inventory . . . . .</b>	<b>(1,157)</b>	<b>-</b>	<b>-</b>	<b>(1,157)</b>
<b>Fund balances, June 30 . . . . .</b>	<b>\$ 4,460,429</b>	<b>\$ 459,703</b>	<b>\$ 630,725</b>	<b>\$ 5,550,857</b>



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

**Nonmajor Special Revenue Funds**

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

**Food Services Fund**

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

**School Trusts Fund**

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

**Uniform School Supplies Fund**

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

**Public School Support Fund**

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

**Other Local Grants Fund**

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

**Facility Maintenance Fund**

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

**Termination Benefits Fund**

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

**Student Activity Fund**

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

**Staff Training Fund**

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

**Educational Management Information System (EMIS) Fund**

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

**Entry Year Programs Fund**

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

**Data Communication Fund**

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

**SchoolNet Professional Development Fund**

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

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

**Nonmajor Special Revenue Funds (Continued)**

**Ohio Reads Fund**

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

**Summer School Subsidy Fund**

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

**Miscellaneous State Grants Fund**

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

**Education of Handicapped Children, Title VI-B Fund**

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

**Limited English Proficiency, Title III Fund**

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

**Title I Fund**

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

**Title VI Fund**

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

**Drug Free School Grant Fund**

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

**Reducing Class Size, Title VI-R Fund**

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

**Miscellaneous Federal Grants Fund**

To account for federal grants not classified elsewhere.

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2007

	<u>Food Services</u>	<u>School Trusts</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 1,111,419	\$ 15,745	\$ 116,981	\$ 214,860
Receivables:				
Property taxes . . . . .	-	-	-	-
Intergovernmental . . . . .	84,860	-	-	-
Prepayments. . . . .	2,172	-	-	-
Materials and supplies inventory . . . . .	81,882	-	-	-
Total assets. . . . .	<u>\$ 1,280,333</u>	<u>\$ 15,745</u>	<u>\$ 116,981</u>	<u>\$ 214,860</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 11,496	\$ -	\$ 6,914	\$ 4,370
Accrued wages and benefits . . . . .	146,708	-	-	2,045
Pension obligation payable. . . . .	85,983	-	-	-
Intergovernmental payable . . . . .	6,777	-	-	300
Deferred revenue. . . . .	84,860	-	-	-
Unearned revenue . . . . .	-	-	-	-
Total liabilities. . . . .	<u>335,824</u>	<u>-</u>	<u>6,914</u>	<u>6,715</u>
<b>Fund balances (deficits):</b>				
Reserved for encumbrances . . . . .	14,522	-	17,414	3,079
Reserved for materials and supplies inventory . . . . .	81,882	-	-	-
Reserved for property tax unavailable for appropriation. . . . .	-	-	-	-
Reserved for prepayments . . . . .	2,172	-	-	-
Unreserved-undesignated (deficits) . . . . .	845,933	15,745	92,653	205,066
Total fund balances (deficits) . . . . .	<u>944,509</u>	<u>15,745</u>	<u>110,067</u>	<u>208,145</u>
Total liabilities and fund balances. . . . .	<u>\$ 1,280,333</u>	<u>\$ 15,745</u>	<u>\$ 116,981</u>	<u>\$ 214,860</u>

<u>Other Local Grants</u>	<u>Facilities Maintenance</u>	<u>Termination Benefits</u>	<u>Student Activity</u>	<u>Staff Training</u>	<u>EMIS</u>	<u>Entry Year Programs</u>	<u>School Net Professional Development</u>
\$ 382,054	\$ 2,023,176	\$ 355,000	\$ 348,725	\$ 2,083	\$ 37,360	\$ 1,597	\$ -
-	360,209	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 382,054</u>	<u>\$ 2,383,385</u>	<u>\$ 355,000</u>	<u>\$ 348,725</u>	<u>\$ 2,083</u>	<u>\$ 37,360</u>	<u>\$ 1,597</u>	<u>\$ -</u>
\$ 412	\$ 448	\$ -	\$ 6,709	\$ -	\$ -	\$ 488	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,092	-	982	6	3	163	90	31
-	23,209	-	-	-	-	-	-
-	305,044	-	-	-	-	-	-
<u>4,504</u>	<u>328,701</u>	<u>982</u>	<u>6,715</u>	<u>3</u>	<u>163</u>	<u>578</u>	<u>31</u>
913	29,644	-	12,030	-	-	1,109	-
-	-	-	-	-	-	-	-
-	31,956	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>376,637</u>	<u>1,993,084</u>	<u>354,018</u>	<u>329,980</u>	<u>2,080</u>	<u>37,197</u>	<u>(90)</u>	<u>(31)</u>
<u>377,550</u>	<u>2,054,684</u>	<u>354,018</u>	<u>342,010</u>	<u>2,080</u>	<u>37,197</u>	<u>1,019</u>	<u>(31)</u>
<u>\$ 382,054</u>	<u>\$ 2,383,385</u>	<u>\$ 355,000</u>	<u>\$ 348,725</u>	<u>\$ 2,083</u>	<u>\$ 37,360</u>	<u>\$ 1,597</u>	<u>\$ -</u>

-- (Continued)

**PICKERINGTON LOCAL SCHOOL DISTRICT**  
**FAIRFIELD COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2007

	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Miscellaneous State Grants</u>	<u>Title VI - B</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ -	\$ 1,552	\$ 52,568	\$ 1,881
Receivables:				
Property taxes - current & delinquent . . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	7,618	391,360
Prepayments. . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
Total assets. . . . .	<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ 60,186</u>	<u>\$ 393,241</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ 33,326	\$ 6,244
Accrued wages and benefits . . . . .	-	-	-	-
Pension obligation payable. . . . .	-	-	-	-
Intergovernmental payable . . . . .	82	-	26	3,104
Deferred revenue. . . . .	-	-	7,618	391,360
Unearned revenue . . . . .	-	-	-	-
Total liabilities. . . . .	<u>82</u>	<u>-</u>	<u>40,970</u>	<u>400,708</u>
<b>Fund balances (deficits):</b>				
Reserved for encumbrances . . . . .	-	-	2,803	497
Reserved for materials and supplies inventory . . . . .	-	-	-	-
Reserved for property tax . . . . .				
unavailable for appropriation. . . . .	-	-	-	-
Reserved for prepayments . . . . .	-	-	-	-
Unreserved-undesignated (deficits) . . . . .	<u>(82)</u>	<u>1,552</u>	<u>16,413</u>	<u>(7,964)</u>
Total fund balances (deficits) . . . . .	<u>(82)</u>	<u>1,552</u>	<u>19,216</u>	<u>(7,467)</u>
Total liabilities and fund balances. . . . .	<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ 60,186</u>	<u>\$ 393,241</u>

<u>Title III</u>	<u>Title I</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 2,088	\$ -	\$ 600	\$ 4,667,689
-	-	-	-	360,209
-	-	3,911	-	487,749
-	-	-	-	2,172
-	-	-	-	81,882
<u>\$ -</u>	<u>\$ 2,088</u>	<u>\$ 3,911</u>	<u>\$ 600</u>	<u>\$ 5,599,701</u>
\$ -	\$ 338	\$ 290	\$ -	\$ 71,035
-	-	-	-	148,753
-	-	-	-	85,983
197	1,121	525	-	17,499
-	-	3,911	-	510,958
-	-	-	-	305,044
<u>197</u>	<u>1,459</u>	<u>4,726</u>	<u>-</u>	<u>1,139,272</u>
-	-	1,066	600	83,677
-	-	-	-	81,882
-	-	-	-	31,956
-	-	-	-	2,172
(197)	629	(1,881)	-	4,260,742
<u>(197)</u>	<u>629</u>	<u>(815)</u>	<u>600</u>	<u>4,460,429</u>
<u>\$ -</u>	<u>\$ 2,088</u>	<u>\$ 3,911</u>	<u>\$ 600</u>	<u>\$ 5,599,701</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Food Services</u>	<u>School Trusts</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Tuition . . . . .	-	-	-	83,416
Charges for services . . . . .	2,321,306	-	-	-
Earnings on investments . . . . .	32,010	-	-	-
Classroom materials and fees. . . . .	-	-	471,038	-
Extracurricular . . . . .	-	-	-	-
Rental income. . . . .	-	-	-	-
Other local revenues . . . . .	-	8,950	-	95,562
Intergovernmental - State . . . . .	14,861	-	-	-
Intergovernmental - Federal . . . . .	627,106	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	2,995,283	8,950	471,038	178,978
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	472,211	-
Special . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	-	9,121	-	60,231
Administration . . . . .	-	-	-	-
Fiscal. . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	2,755,163	-	-	-
Other non-instructional services. . . . .	-	-	-	110,055
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures. . . . .	2,755,163	9,121	472,211	170,286
Net change in fund balances. . . . .	240,120	(171)	(1,173)	8,692
<b>Fund balances, July 1. . . . .</b>	705,546	15,916	111,240	199,453
<b>Decrease in reserve for inventory. . . . .</b>	(1,157)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Fund balances (deficits), June 30 . . . . .</b>	<u>\$ 944,509</u>	<u>\$ 15,745</u>	<u>\$ 110,067</u>	<u>\$ 208,145</u>



<u>Other Local Grants</u>	<u>Facility Maintenance</u>	<u>Termination Benefits</u>	<u>Student Activity</u>	<u>Staff Training</u>	<u>EMIS</u>	<u>Entry Year Programs</u>	<u>Data Communication</u>
\$ -	\$ 355,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
469,429	-	-	455,275	-	-	-	-
140,458	-	-	-	-	-	-	-
80,049	-	-	88,504	-	-	-	-
-	231,470	-	-	5,000	33,524	16,800	33,000
-	-	-	-	-	-	-	-
<u>689,936</u>	<u>586,574</u>	<u>-</u>	<u>543,779</u>	<u>5,000</u>	<u>33,524</u>	<u>16,800</u>	<u>33,000</u>
110,226	-	120,982	-	-	-	94	-
-	-	-	-	-	-	15,916	-
-	-	-	-	-	-	-	-
250	-	-	-	3,116	-	-	33,000
-	-	-	1,765	-	-	-	-
-	5,949	-	-	-	33,686	-	-
-	-	-	28,344	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	819	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
473,053	-	-	482,722	-	-	-	-
7,936	128,943	-	-	-	-	-	-
60,780	-	-	-	-	-	-	-
93,105	-	-	-	-	-	-	-
<u>745,350</u>	<u>134,892</u>	<u>120,982</u>	<u>512,831</u>	<u>3,116</u>	<u>34,505</u>	<u>16,010</u>	<u>33,000</u>
(55,414)	451,682	(120,982)	30,948	1,884	(981)	790	-
432,964	1,603,002	475,000	311,062	196	38,178	229	-
-	-	-	-	-	-	-	-
<u>\$ 377,550</u>	<u>\$ 2,054,684</u>	<u>\$ 354,018</u>	<u>\$ 342,010</u>	<u>\$ 2,080</u>	<u>\$ 37,197</u>	<u>\$ 1,019</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES / (DEFICITS)  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>School Net Professional Development</u>	<u>Ohio Reads</u>	<u>Summer School Subsidy</u>	<u>Miscellaneous State Grants</u>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Tuition . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Earnings on investments . . . . .	-	-	-	-
Classroom materials and fees. . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Rental income. . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - State . . . . .	5,300	10,000	-	58,019
Intergovernmental - Federal . . . . .	-	-	-	-
Total revenues . . . . .	<u>5,300</u>	<u>10,000</u>	<u>-</u>	<u>58,019</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	37,128
Special . . . . .	-	-	-	25,217
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff. . . . .	6,747	10,004	-	4,908
Administration . . . . .	-	-	-	-
Fiscal. . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	5,600
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	-
Other non-instructional services. . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures. . . . .	<u>6,747</u>	<u>10,004</u>	<u>-</u>	<u>72,853</u>
Net change in fund balances. . . . .	(1,447)	(4)	-	(14,834)
<b>Fund balances, July 1. . . . .</b>	1,416	(78)	1,552	34,050
<b>Decrease in reserve for inventory. . . . .</b>	-	-	-	-
<b>Fund balances (deficits), June 30 . . . . .</b>	<u>\$ (31)</u>	<u>\$ (82)</u>	<u>\$ 1,552</u>	<u>\$ 19,216</u>

<u>Title VI - B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School Grant</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,104
-	-	-	-	-	-	-	83,416
-	-	-	-	-	-	-	2,321,306
-	-	-	-	-	-	-	32,010
-	-	-	-	-	-	-	471,038
-	-	-	-	-	-	-	924,704
-	-	-	-	-	-	-	140,458
-	-	-	-	-	-	-	273,065
-	-	-	-	-	-	-	407,974
<u>1,403,218</u>	<u>46,752</u>	<u>264,196</u>	<u>13,261</u>	<u>20,815</u>	<u>128,645</u>	<u>37,285</u>	<u>2,541,278</u>
<u>1,403,218</u>	<u>46,752</u>	<u>264,196</u>	<u>13,261</u>	<u>20,815</u>	<u>128,645</u>	<u>37,285</u>	<u>7,550,353</u>
77,036	42,039	242,828	13,142	10,815	105,084	10,658	1,242,243
393,818	-	-	-	-	-	-	434,951
592,967	-	-	-	-	-	16,398	609,365
290,444	718	13,187	-	-	36,970	2,629	471,325
143,095	-	-	-	-	-	-	144,860
-	-	-	-	-	-	-	39,635
-	-	-	-	-	-	-	28,344
-	-	-	-	10,000	-	-	10,000
-	-	-	-	-	-	-	6,419
-	-	-	-	-	-	-	2,755,163
-	4,128	8,582	-	-	1,367	-	124,132
-	-	-	-	-	-	-	955,775
13,430	-	-	-	-	-	-	150,309
-	-	-	-	-	-	-	60,780
-	-	-	-	-	-	-	93,105
<u>1,510,790</u>	<u>46,885</u>	<u>264,597</u>	<u>13,142</u>	<u>20,815</u>	<u>143,421</u>	<u>29,685</u>	<u>7,126,406</u>
(107,572)	(133)	(401)	119	-	(14,776)	7,600	423,947
100,105	(64)	1,030	(119)	-	13,961	(7,000)	4,037,639
-	-	-	-	-	-	-	(1,157)
<u>\$ (7,467)</u>	<u>\$ (197)</u>	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (815)</u>	<u>\$ 600</u>	<u>\$ 4,460,429</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Services</b>				
Total Revenues and Other Sources	\$ 2,671,000	\$ 2,871,000	\$ 2,939,728	\$ 68,728
Total Expenditures and Other Uses	<u>2,721,068</u>	<u>2,791,794</u>	<u>2,786,546</u>	<u>5,248</u>
Net Change in Fund Balances	(50,068)	79,206	153,182	73,976
Fund Balance, July 1	737,125	737,125	737,125	-
Prior Year Encumbrances Appropriated	<u>202,748</u>	<u>202,748</u>	<u>202,748</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 889,805</u>	<u>\$ 1,019,079</u>	<u>\$ 1,093,055</u>	<u>\$ 73,976</u>
<b>School Trusts</b>				
Total Revenues and Other Sources	\$ 2,564	\$ 2,564	\$ 8,950	\$ 6,386
Total Expenditures and Other Uses	<u>6,007</u>	<u>9,794</u>	<u>9,359</u>	<u>435</u>
Net Change in Fund Balances	(3,443)	(7,230)	(409)	6,821
Fund Balance, July 1	15,883	15,883	15,883	-
Prior Year Encumbrances Appropriated	<u>271</u>	<u>271</u>	<u>271</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 12,711</u>	<u>\$ 8,924</u>	<u>\$ 15,745</u>	<u>\$ 6,821</u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$ 394,583	\$ 429,583	\$ 471,030	\$ 41,447
Total Expenditures and Other Uses	<u>457,553</u>	<u>512,553</u>	<u>499,478</u>	<u>13,075</u>
Net Change in Fund Balances	(62,970)	(82,970)	(28,448)	54,522
Fund Balance, July 1	105,847	105,847	105,847	-
Prior Year Encumbrances Appropriated	<u>17,005</u>	<u>17,005</u>	<u>17,005</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 59,882</u>	<u>\$ 39,882</u>	<u>\$ 94,404</u>	<u>\$ 54,522</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 125,415	\$ 125,415	\$ 178,978	\$ 53,563
Total Expenditures and Other Uses	173,058	173,428	173,428	-
Net Change in Fund Balances	(47,643)	(48,013)	5,550	53,563
Fund Balance, July 1	195,262	195,262	195,262	-
Prior Year Encumbrances Appropriated	6,848	6,848	6,848	-
Fund Balance, June 30	<u>\$ 154,467</u>	<u>\$ 154,097</u>	<u>\$ 207,660</u>	<u>\$ 53,563</u>
<b>Other Local Grants</b>				
Total Revenues and Other Sources	\$ 440,300	\$ 530,300	\$ 692,980	\$ 162,680
Total Expenditures and Other Uses	129,997	829,997	749,729	80,268
Net Change in Fund Balances	310,303	(299,697)	(56,749)	242,948
Fund Balance, July 1	436,322	436,322	436,322	-
Prior Year Encumbrances Appropriated	1,197	1,197	1,197	-
Fund Balance, June 30	<u>\$ 747,822</u>	<u>\$ 137,822</u>	<u>\$ 380,770</u>	<u>\$ 242,948</u>
<b>Facility Maintenance</b>				
Total Revenues and Other Sources	\$ 375,000	\$ 375,002	\$ 595,820	\$ 220,818
Total Expenditures and Other Uses	95,813	165,263	165,256	7
Net Change in Fund Balances	279,187	209,739	430,564	220,825
Fund Balance, July 1	1,543,317	1,543,317	1,543,317	-
Prior Year Encumbrances Appropriated	19,203	19,203	19,203	-
Fund Balance, June 30	<u>\$ 1,841,707</u>	<u>\$ 1,772,259</u>	<u>\$ 1,993,084</u>	<u>\$ 220,825</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Termination Benefits</b>				
Total Expenditures and Other Uses	\$ -	\$ 200,000	\$ 120,000	\$ 80,000
Net Change in Fund Balances	-	(200,000)	(120,000)	80,000
Fund Balance, July 1	475,000	475,000	475,000	-
Fund Balance, June 30	<u>\$ 475,000</u>	<u>\$ 275,000</u>	<u>\$ 355,000</u>	<u>\$ 80,000</u>
<b>Student Activity</b>				
Total Revenues and Other Sources	\$ 446,264	\$ 456,264	\$ 543,779	\$ 87,515
Total Expenditures and Other Uses	<u>438,858</u>	<u>788,858</u>	<u>547,294</u>	<u>241,564</u>
Net Change in Fund Balances	7,406	(332,594)	(3,515)	329,079
Fund Balance, July 1	313,521	313,521	313,521	-
Prior Year Encumbrances Appropriated	<u>20,433</u>	<u>20,433</u>	<u>20,433</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 341,360</u>	<u>\$ 1,360</u>	<u>\$ 330,439</u>	<u>\$ 329,079</u>
<b>Staff Training</b>				
Total Revenues and Other Sources	\$ -	\$ 5,000	\$ 5,000	\$ -
Total Expenditures and Other Uses	<u>436</u>	<u>5,436</u>	<u>3,353</u>	<u>2,083</u>
Net Change in Fund Balances	(436)	(436)	1,647	2,083
Prior Year Encumbrances Appropriated	<u>436</u>	<u>436</u>	<u>436</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,083</u>	<u>\$ 2,083</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>EMIS</b>				
Total Revenues and Other Sources	\$ -	\$ 26,498	\$ 33,524	\$ 7,026
Total Expenditures and Other Uses	<u>1,150</u>	<u>37,150</u>	<u>35,492</u>	<u>1,658</u>
Net Change in Fund Balances	(1,150)	(10,652)	(1,968)	8,684
Fund Balance, July 1	38,178	38,178	38,178	-
Prior Year Encumbrances Appropriated	<u>1,150</u>	<u>1,150</u>	<u>1,150</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 38,178</u>	<u>\$ 28,676</u>	<u>\$ 37,360</u>	<u>\$ 8,684</u>
<b>Entry Year Programs</b>				
Total Revenues and Other Sources	\$ -	\$ 16,800	\$ 16,800	\$ -
Total Expenditures and Other Uses	<u>713</u>	<u>17,513</u>	<u>17,513</u>	<u>-</u>
Net Change in Fund Balances	(713)	(713)	(713)	-
Fund Balance, July 1	1	1	1	-
Prior Year Encumbrances Appropriated	<u>712</u>	<u>712</u>	<u>712</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Data Communication</b>				
Total Revenues and Other Sources	\$ -	\$ 33,000	\$ 33,000	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>SchoolNet Professional Development</b>				
Total Revenues and Other Sources	\$ -	\$ 5,300	\$ 5,300	\$ -
Total Expenditures and Other Uses	<u>800</u>	<u>6,725</u>	<u>6,725</u>	<u>-</u>
Net Change in Fund Balances	(800)	(1,425)	(1,425)	-
Fund Balance, July 1	<u>1,425</u>	<u>1,425</u>	<u>1,425</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Ohio Reads</b>				
Total Revenues and Other Sources	\$ -	\$ 10,000	\$ 10,000	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Summer School Subsidy</b>				
Fund Balance, July 1	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Fund Balance, June 30	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous State Grants</b>				
Total Revenues and Other Sources	\$ -	\$ 66,069	\$ 58,019	\$ (8,050)
Total Expenditures and Other Uses	<u>30,089</u>	<u>106,710</u>	<u>82,221</u>	<u>24,489</u>
Net Change in Fund Balances	(30,089)	(40,641)	(24,202)	16,439
Fund Balance, July 1	33,043	33,043	33,043	-
Prior Year Encumbrances Appropriated	<u>7,598</u>	<u>7,598</u>	<u>7,598</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 10,552</u>	<u>\$ -</u>	<u>\$ 16,439</u>	<u>\$ 16,439</u>
<b>Title VI-B</b>				
Total Revenues and Other Sources	\$ 2,018,324	\$ 2,018,324	\$ 1,403,218	\$ (615,106)
Total Expenditures and Other Uses	<u>2,131,428</u>	<u>2,131,428</u>	<u>1,519,724</u>	<u>611,704</u>
Net Change in Fund Balances	(113,104)	(113,104)	(116,506)	(3,402)
Fund Balance, July 1	89,808	89,808	89,808	-
Prior Year Encumbrances Appropriated	<u>23,296</u>	<u>23,296</u>	<u>23,296</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,402)</u>	<u>\$ (3,402)</u>
<b>Title III</b>				
Total Revenues and Other Sources	\$ 49,371	\$ 49,371	\$ 46,752	\$ (2,619)
Total Expenditures and Other Uses	<u>46,834</u>	<u>46,834</u>	<u>46,834</u>	<u>-</u>
Net Change in Fund Balances	2,537	2,537	(82)	(2,619)
Prior Year Encumbrances Appropriated	<u>82</u>	<u>82</u>	<u>82</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,619</u>	<u>\$ 2,619</u>	<u>\$ -</u>	<u>\$ (2,619)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Title I</b>				
Total Revenues and Other Sources	\$ 271,925	\$ 271,925	\$ 264,196	\$ (7,729)
Total Expenditures and Other Uses	<u>271,925</u>	<u>266,254</u>	<u>264,362</u>	<u>1,892</u>
Net Change in Fund Balances	-	5,671	(166)	(5,837)
Fund Balance, July 1	<u>2,058</u>	<u>2,058</u>	<u>2,058</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,058</u>	<u>\$ 7,729</u>	<u>\$ 1,892</u>	<u>\$ (5,837)</u>
<b>Title VI</b>				
Total Revenues and Other Sources	\$ 13,261	\$ 13,261	\$ 13,261	\$ -
Total Expenditures and Other Uses	<u>13,261</u>	<u>13,261</u>	<u>13,261</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Drug Free School Grant</b>				
Total Revenues and Other Sources	\$ 20,815	\$ 20,815	\$ 20,815	\$ -
Total Expenditures and Other Uses	<u>20,815</u>	<u>20,815</u>	<u>20,815</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Title VI - R</b>				
Total Revenues and Other Sources	\$ 165,721	\$ 165,721	\$ 128,644	\$ (37,077)
Total Expenditures and Other Uses	<u>165,721</u>	<u>165,345</u>	<u>144,350</u>	<u>20,995</u>
Net Change in Fund Balances	-	376	(15,706)	(16,082)
Fund Balance, July 1	8,873	8,873	8,873	-
Prior Year Encumbrances Appropriated	<u>5,477</u>	<u>5,477</u>	<u>5,477</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 14,350</u>	<u>\$ 14,726</u>	<u>\$ (1,356)</u>	<u>\$ (16,082)</u>
<b>Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$ 2,676	\$ 37,332	\$ 37,285	\$ (47)
Total Expenditures and Other Uses	<u>2,676</u>	<u>37,285</u>	<u>37,285</u>	<u>-</u>
Net Change in Fund Balances	-	47	-	(47)
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ (47)</u>

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

**Nonmajor Debt Service Fund**

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

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

**Library Debt Service Fund**

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Bond Retirement - Library Debt</b>				
Total Revenues and Other Sources	\$ 143,000	\$ 153,795	\$ 154,818	\$ 1,023
Total Expenditures and Other Uses	<u>195,252</u>	<u>220,555</u>	<u>210,396</u>	<u>10,159</u>
Net Change in Fund Balances	(52,252)	(66,760)	(55,578)	11,182
Fund Balance, July 1	<u>502,852</u>	<u>502,852</u>	<u>502,852</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 450,600</u></u>	<u><u>\$ 436,092</u></u>	<u><u>\$ 447,274</u></u>	<u><u>\$ 11,182</u></u>

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

**Nonmajor Capital Projects Funds**

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

**Permanent Improvement Fund**

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

**SchoolNet Fund**

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

**PICKERINGTON LOCALSCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2007

	<u>Permanent Improvement</u>	<u>Nonmajor Capital Projects Funds</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents. . .	\$ 664,085	\$ 664,085
Total assets. . . . .	<u>\$ 664,085</u>	<u>\$ 664,085</u>
 <b>Liabilities:</b>		
Accounts payable. . . . .	\$ 33,360	\$ 33,360
Total liabilities. . . . .	<u>33,360</u>	<u>33,360</u>
 <b>Fund balances:</b>		
Reserved for encumbrances . . . . .	166,855	166,855
Unreserved-undesignated . . . . .	<u>463,870</u>	<u>463,870</u>
Total fund balances . . . . .	<u>630,725</u>	<u>630,725</u>
Total liabilities and fund balances. . . . .	<u>\$ 664,085</u>	<u>\$ 664,085</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<b>Permanent Improvement</b>	<b>SchoolNet</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ 120	\$ -	\$ 120
Other local revenues . . . . .	91,349	-	91,349
 Total revenues. . . . .	 91,469	 -	 91,469
<b>Expenditures:</b>			
Current:			
Support services:			
Instructional staff. . . . .	157,390	238	157,628
Facilities acquisition and construction. . . . .	196,825	-	196,825
 Total expenditures . . . . .	 354,215	 238	 354,453
 Net change in fund balances . . . . .	 (262,746)	 (238)	 (262,984)
 <b>Fund balances, July 1 . . . . .</b>	 893,471	 238	 893,709
 <b>Fund balances, June 30 . . . . .</b>	 \$ 630,725	 \$ -	 \$ 630,725



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Permanent Improvement</b>				
Total Revenues and Other Sources	\$ -	\$ 50,000	\$ 91,469	\$ 41,469
Total Expenditures and Other Uses	<u>854,741</u>	<u>854,741</u>	<u>612,754</u>	<u>241,987</u>
Net Change in Fund Balances	(854,741)	(804,741)	(521,285)	283,456
Fund Balance, July 1	430,414	430,414	430,414	-
Prior Year Encumbrances Appropriated	<u>554,741</u>	<u>554,741</u>	<u>554,741</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 130,414</u>	<u>\$ 180,414</u>	<u>\$ 463,870</u>	<u>\$ 283,456</u>
<b>SchoolNet</b>				
Total Expenditures and Other Uses	<u>\$ 238</u>	<u>\$ 238</u>	<u>\$ 238</u>	<u>\$ -</u>
Net Change in Fund Balances	(238)	(238)	(238)	-
Fund Balance, July 1	<u>238</u>	<u>238</u>	<u>238</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Fiduciary Funds**

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

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

**Private-Purpose Trust Fund**

**Special Trust Fund**

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

**Agency Funds**

**District Agency Fund**

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

**Student Activity Fund**

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

**PICKERINGTON LOCAL SCHOOLS  
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2007

	<b>Beginning Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2007</b>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,069	\$ -	\$ -	\$ 2,069
Total assets . . . . .	<u>\$ 2,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,069</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 2,069	\$ -	\$ -	\$ 2,069
Total liabilities. . . . .	<u>\$ 2,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,069</u>
<b>Student Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 125,303	\$ 342,622	\$ 330,679	\$ 137,246
Total assets . . . . .	<u>\$ 125,303</u>	<u>\$ 342,622</u>	<u>\$ 330,679</u>	<u>\$ 137,246</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,787	\$ 7,211	\$ 2,787	\$ 7,211
Due to students . . . . .	122,516	130,035	122,516	130,035
Total liabilities. . . . .	<u>\$ 125,303</u>	<u>\$ 137,246</u>	<u>\$ 125,303</u>	<u>\$ 137,246</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 127,372	\$ 342,622	\$ 330,679	\$ 139,315
Total assets . . . . .	<u>\$ 127,372</u>	<u>\$ 342,622</u>	<u>\$ 330,679</u>	<u>\$ 139,315</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 2,787	\$ 7,211	\$ 2,787	\$ 7,211
Deposits held and due to others . . . . .	2,069	-	-	2,069
Due to students . . . . .	122,516	130,035	122,516	130,035
Total liabilities. . . . .	<u>\$ 127,372</u>	<u>\$ 137,246</u>	<u>\$ 125,303</u>	<u>\$ 139,315</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Special Trust</b>				
Total Revenues and Other Sources	\$ 282	\$ 282	\$ 1,000	\$ 718
Total Expenditures and Other Uses	<u>1,839</u>	<u>3,052</u>	<u>3,000</u>	<u>52</u>
Net Change in Fund Balances	(1,557)	(2,770)	(2,000)	770
Fund Balance, July 1	<u>4,950</u>	<u>4,950</u>	<u>4,950</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 3,393</u>	<u>\$ 2,180</u>	<u>\$ 2,950</u>	<u>\$ 770</u>
<b>District Agency</b>				
Fund Balance, July 1	<u>\$ 2,069</u>	<u>\$ 2,069</u>	<u>\$ 2,069</u>	<u>\$ -</u>
Fund Balance, June 30	<u>\$ 2,069</u>	<u>\$ 2,069</u>	<u>\$ 2,069</u>	<u>\$ -</u>
<b>Student Activity</b>				
Total Revenues and Other Sources	\$ 147,594	\$ 227,594	\$ 342,620	\$ 115,026
Total Expenditures and Other Uses	<u>215,256</u>	<u>334,256</u>	<u>334,226</u>	<u>30</u>
Net Change in Fund Balances	(67,662)	(106,662)	8,394	115,056
Fund Balance, July 1	123,966	123,966	123,966	-
Prior Year Encumbrances Appropriated	<u>1,337</u>	<u>1,337</u>	<u>1,337</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 57,641</u>	<u>\$ 18,641</u>	<u>\$ 133,697</u>	<u>\$ 115,056</u>

## STATISTICAL SECTION

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

STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S 2-8</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>S 9-14</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S 15-18</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>S 19-20</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>S 21-27</b>

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

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 7,639,245	\$ 5,680,217	\$ 6,170,204	\$ 9,556,777	\$ 25,058,656
Restricted	18,391,211	16,510,606	15,221,567	14,428,173	18,535,804
Unrestricted	<u>(2,730,099)</u>	<u>(3,513,717)</u>	<u>(2,973,644)</u>	<u>(6,315,089)</u>	<u>(29,321,045)</u>
Total governmental activities net assets	<u>\$ 23,300,357</u>	<u>\$ 18,677,106</u>	<u>\$ 18,418,127</u>	<u>\$ 17,669,861</u>	<u>\$ 14,273,415</u>

**Source:** School District financial records.

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses</b>					
Governmental activities:					
Instruction:					
Regular	\$ 45,562,366	\$ 42,690,019	\$ 40,326,102	\$ 36,117,943	\$ 31,464,300
Special	6,782,936	5,977,721	5,423,614	4,865,195	4,514,787
Vocational	1,074,249	1,034,985	890,084	761,653	932,546
Adult/Continuing	-	-	10,895	-	-
Other instructional	2,217,708	1,796,253	1,581,660	1,122,608	751,589
Support services:					
Pupil	4,196,561	4,036,154	3,942,233	3,456,789	3,050,125
Instructional staff	5,741,358	4,983,317	4,413,385	3,645,626	3,136,588
Board of education	455,248	501,735	404,032	478,447	323,952
Administration	7,273,966	7,037,059	6,322,386	6,006,765	5,500,019
Fiscal	1,571,452	1,499,551	1,386,034	1,304,606	1,217,117
Business	185,988	175,317	192,496	167,919	167,914
Operations and maintenance	8,238,497	9,428,349	9,238,371	6,589,807	5,422,028
Pupil transportation	5,286,583	4,501,482	3,998,024	3,832,851	3,973,490
Central	50,333	74,200	87,250	81,744	135,761
Operation of non-instructional services:					
Food service operations	3,224,778	3,420,780	3,068,309	2,835,474	2,156,397
Other non-instructional services	124,132	86,613	84,897	9,937	49,058
Extracurricular activities	2,503,424	2,577,848	2,557,801	2,137,629	1,780,961
Interest and fiscal charges	7,157,888	5,477,377	6,422,079	6,504,277	6,546,476
Total governmental activities expenses	<u>101,647,467</u>	<u>95,298,760</u>	<u>90,349,652</u>	<u>79,919,270</u>	<u>71,123,108</u>

- (Continued)



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

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

<b>Program Revenues</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 749,201	\$ 805,693	\$ 784,692	\$ 763,229	\$ 580,891
Special	3,103	-	-	-	-
Support services:					
Instructional staff	29,505	53,191	93,499	80,821	138,370
Board of education	-	770	1,393	1,393	-
Administration	1,567	2,040	-	266	-
Operations and maintenance	80,485	94,134	78,501	205,042	13,715
Pupil transportation	-	-	-	-	10,973
Operation of non-instructional services:					
Food service operations	2,321,306	2,259,423	2,173,639	1,744,919	1,509,232
Other non-instructional services	-	45,858	30,390	5,094	39,257
Extracurricular activities	951,885	757,652	770,200	604,272	331,112
Interest and fiscal charges	140,458	-	-	-	-
Operating grants and contributions:					
Instruction:					
Regular	529,021	422,001	515,057	713,667	364,483
Special	3,005,521	486,464	532,541	301,038	239,957
Vocational	159,709	-	878	-	-
Other instructional	-	-	-	-	23,507
Support services:					
Pupil	580,490	460,779	621,677	386,820	245,934
Instructional staff	389,625	363,616	280,000	257,010	101,573
Board of education	-	498	-	1,708	-
Administration	135,547	110,252	78,249	65,310	21,395
Fiscal	32,728	7,997	-	-	-
Operations and maintenance	12,722	108,387	39,279	-	-
Pupil transportation	223,805	175,849	3,437	-	-
Central	796	18,670	25,511	33,550	66,873
Operation of non-instructional services:					
Food service operations	758,837	836,266	672,054	579,381	473,446
Other non-instructional services	113,868	46,135	42,546	300	-
Extracurricular activities	153,398	264,253	113,753	367,534	61,684
Capital grants and contributions:					
Support services:					
Instructional staff	-	91,776	69,720	-	-
Pupil transportation	64,544	-	-	-	-
Extracurricular activities	-	-	-	-	38,810
Interest and fiscal charges	-	-	-	-	4,702
<b>Total governmental program revenues</b>	<b>10,438,121</b>	<b>7,411,704</b>	<b>6,927,016</b>	<b>6,111,354</b>	<b>4,265,914</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (91,209,346)	\$ (87,887,056)	\$ (83,422,636)	\$ (73,807,916)	\$ (66,857,194)
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 25,849,872	\$ 23,527,946	\$ 24,291,458	\$ 21,207,490	\$ 14,843,852
Special revenue	362,940	330,505	342,193	346,312	274,717
Debt service	11,451,584	8,315,839	8,815,701	8,274,592	7,158,273
Capital projects	-	-	4	61	152
School district income tax	12,303,735	10,830,531	10,232,657	9,406,873	8,989,604
Grants and entitlements not restricted to specific programs	42,499,856	43,661,527	40,865,256	37,671,696	32,714,517
Investment earnings	3,171,236	1,370,041	786,837	290,056	767,772
Miscellaneous	114,942	109,646	4,493	7,282	68,141
<b>Total governmental activities</b>	<b>95,754,165</b>	<b>88,146,035</b>	<b>85,338,599</b>	<b>77,204,362</b>	<b>64,817,028</b>
Special Item:					
Refund from OME-RESA	78,432	-	-	-	-
<b>Total special item</b>	<b>78,432</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 95,832,597</b>	<b>\$ 88,146,035</b>	<b>\$ 85,338,599</b>	<b>\$ 77,204,362</b>	<b>\$ 64,817,028</b>
<b>Change in Net Assets</b>					
Governmental activities	\$ 4,623,251	\$ 258,979	\$ 1,915,963	\$ 3,396,446	\$ (2,040,166)

Source: School District financial records.

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 5,752,961	\$ 6,619,476	\$ 5,319,738	\$ 4,037,297	\$ 3,905,777
Unreserved	<u>4,447,162</u>	<u>2,390,422</u>	<u>3,125,916</u>	<u>1,851,878</u>	<u>420,002</u>
Total general fund	<u>\$ 10,200,123</u>	<u>\$ 9,009,898</u>	<u>\$ 8,445,654</u>	<u>\$ 5,889,175</u>	<u>\$ 4,325,779</u>
All Other Governmental Funds:					
Reserved	\$ 20,186,286	\$ 12,800,490	\$ 11,665,682	\$ 9,908,916	\$ 15,150,607
Unreserved, reported in:					
Special revenue funds	4,260,742	3,790,669	3,209,491	2,648,206	3,091,503
Capital projects funds	<u>53,492,285</u>	<u>448,780</u>	<u>1,238,254</u>	<u>2,700,849</u>	<u>1,134,334</u>
Total all other governmental funds	<u>\$ 77,939,313</u>	<u>\$ 17,039,939</u>	<u>\$ 16,113,427</u>	<u>\$ 15,257,971</u>	<u>\$ 19,376,444</u>

**Source:** School District financial records.

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

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Revenues</b>						
From local sources:						
Taxes	\$ 48,877,749	\$ 42,936,633	\$ 43,242,749	\$ 39,230,441	\$ 31,482,948	\$ 31,474,590
Tuition	364,682	385,844	286,220	280,210	281,903	275,790
Charges for services	2,321,306	2,259,423	2,173,639	1,744,919	1,509,232	-
Earnings on investments	2,774,353	1,277,723	714,940	263,681	851,930	2,665,255
Classroom materials and fees	471,038	423,830	467,455	434,711	-	-
Extracurricular	924,704	870,861	805,804	738,964	403,769	343,384
Rental income	140,458	-	-	-	-	-
Other local revenues	442,059	576,289	408,438	753,963	661,944	458,118
Intergovernmental - State	45,708,793	43,900,733	41,317,653	37,972,112	32,868,901	30,047,759
Intergovernmental - Federal	2,541,278	2,389,178	2,358,521	1,875,694	1,121,509	658,622
<b>Total revenues</b>	<u>104,566,420</u>	<u>95,020,514</u>	<u>91,775,419</u>	<u>83,294,695</u>	<u>69,182,136</u>	<u>65,923,518</u>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	42,491,231	39,459,304	36,981,507	33,883,467	29,885,280	27,825,148
Special	6,630,911	5,836,223	5,225,258	4,771,884	4,402,242	3,896,805
Vocational	1,051,999	1,036,313	868,236	742,302	911,222	685,353
Adult/Continuing	-	-	10,895	-	-	-
Other	2,216,745	1,796,253	1,581,660	1,122,608	751,589	462,497
Current:						
Pupil	4,100,926	3,946,185	3,802,951	3,315,532	3,006,873	2,671,523
Instructional staff	5,477,664	4,687,075	4,156,800	3,471,141	2,987,758	2,674,469
Board of education	449,888	496,375	398,672	478,384	323,829	302,597
Administration	7,319,310	6,900,352	6,238,029	5,942,396	5,441,042	5,272,419
Fiscal	1,570,047	1,495,489	1,380,806	1,301,959	1,214,685	1,057,341
Business	186,834	173,830	190,505	164,063	165,776	158,585
Operations and maintenance	7,470,768	7,729,018	7,369,327	6,391,724	4,970,984	5,550,975
Pupil transportation	5,346,721	4,596,388	4,335,936	3,953,340	3,966,632	3,671,591
Central	83,733	74,200	87,250	81,416	143,673	200,914
Operation of non-instructional services:						
Food service operations	2,755,163	2,973,652	2,618,111	2,481,291	1,796,314	-
Community	-	-	-	-	-	36,495
Other non-instructional services	124,132	86,613	84,897	43,482	37,921	-
Extracurricular activities	2,347,040	2,440,691	2,417,915	2,094,169	1,736,961	1,462,045
Facilities acquisitions and construction	4,931,875	2,237,784	2,180,142	8,024,168	35,269,073	30,524,600
Capital outlay	-	-	-	-	155,787	-
Debt service:						
Principal retirement	5,655,780	4,015,000	3,286,383	2,610,594	2,508,810	2,563,857
Interest and fiscal charges	4,427,777	3,561,879	4,760,403	4,996,240	5,268,402	5,772,127
Bond issuance cost	460,097	524,754	-	207,633	50,378	-
<b>Total expenditures</b>	<u>105,098,641</u>	<u>94,067,378</u>	<u>87,975,683</u>	<u>86,077,793</u>	<u>104,995,231</u>	<u>94,789,341</u>
Excess of revenues over (under) expenditures	(532,221)	953,136	3,799,736	(2,783,098)	(35,813,095)	(28,865,823)
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	665,886	333,000	2,627,993	3,936,317	2,816,302
Transfers (out)	-	(665,886)	(333,000)	(2,627,993)	(3,936,317)	(2,856,857)
Accrued interest on refunding bonds	-	-	-	30,368	1,998	57,525
Premium on refunding bonds	1,211,944	3,459,639	-	635,281	87,978	-
Sale of capital assets	-	-	-	-	401	248
Issuance of refunding bonds	59,900,000	67,779,907	-	13,914,992	1,880,000	77,500,000
Retirement of refunding bonds	-	-	-	-	(1,880,000)	-
Proceeds from loan	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	(70,714,793)	-	(14,342,639)	-	-
Capital lease transaction	-	-	-	-	155,787	-
Lease purchase transaction	1,432,601	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>62,544,545</u>	<u>524,753</u>	<u>-</u>	<u>238,002</u>	<u>246,164</u>	<u>77,517,218</u>
<b>Special Item</b>						
Refund from OME-RESA						
Total special item	78,432	-	-	-	-	-
<b>Net change in fund balances</b>	<u>\$ 62,090,756</u>	<u>\$ 1,477,889</u>	<u>\$ 3,799,736</u>	<u>\$ (2,545,096)</u>	<u>\$ (35,566,931)</u>	<u>\$ 48,651,395</u>

Debt service as a percentage of noncapital expenditures	10.03%	8.14%	9.23%	9.77%	11.20%	14.86%
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Source: School District financial records.

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

	24,432,681	22,279,104	20,213,747	18,967,631
	3,321,682	2,841,291	2,558,900	2,277,803
	619,573	533,128	489,830	460,401
	-	-	26,037	17,832
	424,413	369,410	297,190	90,929
	2,894,093	2,428,379	1,953,567	2,268,874
	2,669,420	1,777,939	1,403,905	1,154,099
	230,393	308,713	245,176	243,028
	4,712,817	3,887,868	3,512,752	3,011,255
	1,124,105	1,048,227	965,829	832,865
	132,791	146,049	126,768	108,261
	4,692,719	4,218,896	3,461,985	3,113,820
	3,322,690	3,304,996	2,861,346	2,676,573
	165,516	115,697	94,942	115,449
	-	13,925	14,206	8,929
	32,249	12,795	11,618	17,023
	-	-	-	-
	1,219,352	1,074,351	1,011,699	913,641
	9,567,434	-	-	-
	-	13,757,167	9,405,083	1,541,281
	3,002,216	2,920,228	2,100,641	2,025,749
	2,475,747	2,581,333	2,629,957	1,717,067
	-	-	-	-
	<u>65,039,891</u>	<u>63,619,496</u>	<u>53,385,178</u>	<u>41,562,510</u>

	(8,926,838)	(14,447,130)	(7,343,090)	(404,414)
--	-------------	--------------	-------------	-----------

	1,686,796	-	59,895	-
	(1,691,155)	-	(69,776)	-
	-	-	-	-
	-	-	59,895	-
	5,400	-	-	-
	-	-	24,000,000	-
	-	-	-	-
	-	-	6,780,000	-
	-	-	-	-
	-	315,240	-	-
	-	-	-	-
	<u>1,041</u>	<u>315,240</u>	<u>30,830,014</u>	<u>-</u>

	-	-	-	-
\$	<u>(8,925,797)</u>	<u>(14,131,890)</u>	<u>23,486,924</u>	<u>(404,414)</u>

	9.49%	11.03%	10.76%	9.35%
--	-------	--------	--------	-------

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

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

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	1,020,662,560	\$ 2,916,178,743	6,205,133	\$ 24,820,532	14,706,530	\$ 42,018,657
2005	974,433,660	2,784,096,171	10,671,040	42,684,160	15,671,040	44,774,400
2004	925,853,450	2,645,295,571	15,297,650	61,190,600	14,857,540	42,450,114
2003	802,438,990	2,292,682,829	14,528,287	58,113,148	13,829,790	39,513,686
2002	721,684,940	2,061,956,971	15,677,480	62,709,920	12,390,680	35,401,943
2001	600,692,010	1,716,262,886	14,257,107	57,028,428	15,641,510	44,690,029
2000	574,339,500	1,640,970,000	12,405,084	49,620,336	16,042,660	45,836,171
1999	537,563,450	1,535,895,571	11,137,564	44,550,256	16,646,850	47,562,429
1998	484,772,540	1,385,064,400	10,924,107	43,696,428	16,405,030	46,871,514
1997	461,287,890	1,317,965,400	9,414,750	37,659,000	15,703,320	44,866,629

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

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.
- (b) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993.
- (c) Assumes public utilities are assessed at true value which is 35%.

		<b>Total</b>		
<b>Total Direct Tax Rate</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	
\$ 80.60	\$ 1,041,574,223	\$ 2,983,017,932	34.92%	
76.90	1,000,775,740	2,871,554,731	34.85%	
77.30	956,008,640	2,748,936,285	34.78%	
77.70	830,797,067	2,390,309,663	34.76%	
69.80	749,753,100	2,160,068,834	34.71%	
69.80	630,590,627	1,817,981,343	34.69%	
69.80	602,787,244	1,736,426,507	34.71%	
65.76	565,347,864	1,628,008,256	34.73%	
65.76	512,101,677	1,475,632,342	34.70%	
66.26	486,405,960	1,400,491,029	34.73%	

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

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

Tax Year/ Collection Year	Franklin County	Fairfield County	City of Pickerington	City of Reynoldsburg	City of Columbus	Pickerington Local School District							
						Voted						Unvoted	Total
						General	Bond	Classroom Facilities	Permanent Improvement				
2006/2007	\$ 17.79	\$ 7.55	\$ 7.80	\$ 0.70	\$ 3.14	\$ 62.20	\$13.40	\$ 0.50	\$ -	\$ 4.50	\$ 80.60		
2005/2006	18.44	7.55	7.80	0.70	3.14	62.20	9.70	0.50	-	4.50	76.90		
2004/2005	18.44	7.55	7.80	0.70	3.14	62.20	10.10	0.50	-	4.50	77.30		
2003/2004	18.44	7.55	7.80	0.70	3.14	62.20	10.50	0.50	-	4.50	77.70		
2002/2003	17.64	7.05	7.80	0.70	3.14	54.30	10.50	0.50	-	4.50	69.80		
2001/2002	17.64	7.05	7.80	0.70	3.14	54.30	10.50	0.50	-	4.50	69.80		
2000/2001	17.64	7.05	7.80	0.76	3.14	54.30	10.50	0.50	-	4.50	69.80		
1999/2000	17.64	7.05	7.80	0.76	3.14	51.30	8.71	0.50	0.75	4.50	65.76		
1998/1999	17.54	7.05	7.80	0.77	3.14	51.30	8.71	0.50	0.75	4.50	65.76		
1997/1998	15.22	7.05	7.80	0.78	3.14	49.30	11.21	0.50	0.75	4.50	66.26		

Source: Fairfield County and Franklin County Auditor's Offices



<b>Madison Township</b>	<b>Madison Township - City of Pickerington</b>	<b>Violet Township</b>	<b>Violet City of Pickerington/ Reynoldsburg</b>	<b>Liberty Township</b>	<b>School District Public Library</b>	<b>Eastland Joint Vocational School</b>	<b>Tax Year/ Collection Year</b>
\$ 21.80	\$ 21.20	\$ 12.85	\$ 12.15	\$ 7.57	\$ 0.15	\$ 2.00	2006/2007
21.80	21.20	13.83	12.15	7.57	0.15	2.00	2005/2006
21.80	21.20	13.55	12.15	7.57	0.20	2.00	2004/2005
21.80	21.20	13.65	12.15	7.57	0.30	2.00	2003/2004
21.80	21.20	13.65	12.15	7.57	0.30	2.00	2002/2003
21.80	21.20	9.80	8.30	7.57	0.30	2.00	2001/2002
21.80	21.20	9.80	8.30	7.57	0.50	2.00	2000/2001
21.80	21.20	9.80	8.30	7.57	0.60	2.00	1999/2000
21.80	21.20	10.05	8.55	7.57	0.60	2.00	1998/1999
21.80	21.20	10.05	8.55	7.57	0.70	1.20	1997/1998

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

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

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

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

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

**Note:** Information on principal property tax payers prior to December 31, 2003 was unavailable.  
Information on principal property tax payers at December 31, 2006 was not available.

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

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

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

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

**Note:** Property tax levies and collections for the tax year/collection year 2006/2007 was not available.

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

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>(a) Total Primary Government</b>	<b>(b) Per Capita</b>	<b>(b) Per ADM</b>
	<b>General Obligation Bonds</b>	<b>Capital Leases</b>			
2007	\$ 176,913,710	\$ 1,371,821	\$ 178,285,531	\$ 12,538	\$ 17,800
2006	120,033,604	-	120,033,604	8,844	12,345
2005	122,049,697	-	122,049,697	9,343	13,219
2004	123,571,606	66,383	123,637,989	10,168	13,945
2003	124,622,356	116,977	124,739,333	11,079	14,873
2002	125,757,015	-	125,757,015	12,032	15,848
2001	49,802,289	103,857	49,906,146	4,907	6,612
2000	50,799,627	199,907	50,999,534	5,208	7,108
1999	53,459,627	-	53,459,627	6,653	7,646
1998	31,439,627	-	31,439,627	3,982	4,702

**Sources:**

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Total</b>		
2007	\$ 176,913,710	\$ 176,913,710	5.93%	\$ 12,441
2006	120,033,604	120,033,604	4.18%	8,844
2005	122,049,697	122,049,697	4.44%	9,343
2004	123,571,606	123,571,606	5.17%	10,163
2003	124,622,356	124,622,356	5.77%	11,069
2002	125,757,015	125,757,015	6.92%	12,032
2001	49,802,289	49,802,289	2.87%	4,896
2000	50,799,627	50,799,627	3.12%	5,188
1999	53,459,627	53,459,627	3.62%	6,653
1998	31,439,627	31,439,627	2.24%	3,982

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 176,913,710	100.00%	\$ 176,913,710
Overlapping debt:			
Fairfield County	9,190,000	34.30%	3,152,170
Franklin County	91,615,000	0.05%	45,808
City of Columbus	434,035,185	0.90%	3,906,317
City of Pickerington	5,100,000	99.86%	5,092,860
Violet Township	<u>2,925,000</u>	94.60%	<u>2,767,050</u>
Total direct and overlapping debt	<u>\$ 719,778,895</u>		<u>\$ 191,877,915</u>

**Source:** Ohio Municipal Advisory Council

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

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin (a)</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2007	\$ 92,933,023	\$ 176,913,710	\$ 14,537,042	\$ 162,376,668	\$ (69,443,645)	174.72%
2006	90,069,817	120,033,604	11,159,050	108,874,554	(18,804,737)	120.88%
2005	86,040,778	122,049,697	9,447,143	112,602,554	(26,561,776)	130.87%
2004	74,771,736	123,571,606	7,711,039	115,860,567	(41,088,831)	154.95%
2003	67,477,779	124,622,356	6,032,554	118,589,802	(51,112,023)	175.75%
2002	56,753,156	125,757,015	6,201,343	119,555,672	(62,802,516)	210.66%
2001	54,250,852	49,802,289	6,577,015	43,225,274	11,025,578	79.68%
2000	50,881,308	50,799,627	5,717,332	45,082,295	5,799,013	88.60%
1999	46,089,151	53,459,627	5,701,536	47,758,091	(1,668,940)	103.62%
1998	43,776,536	31,439,627	4,798,258	26,641,369	17,135,167	60.86%

**Source:** Fairfield County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

(a): On March 28, 1996, the District was determined to be a "special needs" district, meaning the was permitted to exceed the voted debt limitation. This status was confirmed on October 5, 2000 and October 2006.

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
					<u>Fairfield County</u>	<u>Ohio</u>	<u>United States</u>
2007	14,220	\$ 25,839	32.7	10,016	4.8%	5.5%	4.7%
2006	13,573	25,839	32.7	9,723	5.2%	5.9%	5.1%
2005	13,063	25,839	32.7	9,233	5.4%	6.2%	5.5%
2004	12,159	25,839	32.7	8,866	5.3%	5.7%	5.1%
2003	11,259	25,839	32.7	8,387	5.1%	5.5%	5.7%
2002	10,452	25,839	32.7	7,935	3.5%	5.3%	6.0%
2001	10,171	25,839	32.7	7,548	3.3%	4.8%	5.8%
2000	9,792	25,839	32.7	7,175	2.9%	3.9%	4.0%
1999	8,035	15,330	32.7	6,992	3.0%	4.0%	4.1%
1998	7,895	15,330	32.7	6,686	3.2%	4.3%	4.5%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

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

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



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

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND SIX YEARS AGO**

<b>Employer</b>	<b>December 31, 2006</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Pickerington Local School District	1,084	1	14.85%
State of Ohio	371	2	5.08%
Kroger Company	332	3	4.55%
Kohl's Department Stores	329	4	4.51%
Cracker Barrel Restaurant	294	5	4.03%
Kindred Nursing Care	201	6	2.75%
Defense Accounting Office	154	7	2.11%
City of Pickerington	110	8	1.51%
American Motorcycle Association	105	9	1.44%
R.G. Barry Corporation	97	10	1.33%
<b>Total</b>	<b>3,077</b>		<b>42.16%</b>
<b>Total Employment within the City</b>	<b>7,300</b>		

<b>Employer</b>	<b>December 31, 2000</b>	
	<b>Employees</b>	<b>Rank</b>
Pickerington Local School District	813	1
Cracker Barrel Restaurant	464	2
Kroger Company	390	3
Kindred Nursing Care	254	4
State of Ohio	203	5
Longhorn Steakhouse	142	6
City of Columbus	82	7
City of Pickerington	78	8
Defense Accounting Office	56	9
Mt. Carmel Health Care Providers	52	10
<b>Total</b>	<b>2,534</b>	
<b>Total Employment within the City</b>	<b>n/a</b>	

**Source:** City of Pickerington CAFR

**Note:** Information on principal employers prior to 2000 was not available.

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

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

<u>Type</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>
Office - administrative	39.50	39.00	37.50	34.50
Professional - educational	640.40	591.40	558.80	515.55
Professional - other	25.40	22.10	22.10	16.40
Technical	12.50	12.50	13.00	12.41
Office - clerical	125.60	119.70	108.90	82.21
Craft & trade	8.00	8.00	7.00	7.00
Service worker/laborer	97.60	90.80	88.10	91.78
Total	<u>949.00</u>	<u>883.50</u>	<u>835.40</u>	<u>759.85</u>

<u>Function</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>
Instruction:				
Regular	523.60	481.70	476.10	428.25
Special	72.50	66.00	47.90	38.00
Vocational	11.00	12.10	9.70	10.00
Support Services:				
Pupil	169.00	160.40	143.80	52.90
Instructional staff	19.30	18.50	18.80	73.12
Administration	33.00	32.00	30.00	61.30
Fiscal	9.00	9.00	9.00	9.00
Business	2.00	2.00	2.00	2.00
Operations and maintenance	71.00	68.50	64.50	55.00
Food service operations	38.60	33.30	33.60	30.28
Total Governmental Activities	<u>949.00</u>	<u>883.50</u>	<u>835.40</u>	<u>759.85</u>

**Source:** School District records

**Note:** Pupil transportation services are contracted to a third party, therefore these personnel are not paid directly by the District.

(1): Past data was not easily attainable therefore estimates have been used if data could not be obtained. Information prior to fiscal year 2004 was not available.

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

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

<b>Function</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
Instruction:										
Regular and Special										
Enrollment (students) *	10,016	9,723	9,233	8,866	8,387	7,935	7,548	7,175	6,992	6,686
Graduates	n/a	663	606	554	497	494	483	503	479	390
Support services:										
Board of education										
Regular meetings per year	18	18	15	17	15	17	11	12	12	11
Special meetings per year	13	12	13	12	11	11	10	7	11	18
Administration										
Nonpayroll checks issued	6,984	6,702	7,680	7,638	6,906	n/a	n/a	n/a	n/a	n/a
Pupil transportation										
Avg. students transported daily	6,538	5,973	5,457	5,413	5,589	5,145	n/a	n/a	n/a	n/a
Food service operations										
Meals served to students	1,013,039	992,018	928,798	928,457	805,711	753,964	n/a	n/a	n/a	n/a

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

n/a: Information is not available.

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

**CAPITAL ASSET STATISTICS  
LAST FIVE FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 7,645,730	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899
Land improvements	8,498,320	9,072,627	8,636,895	9,141,608	1,963,748
Buildings and improvements	95,223,643	97,451,837	101,362,695	105,241,129	46,040,541
Furniture, fixtures and equipment	1,585,862	1,791,751	1,967,504	2,184,931	414,056
Vehicles	686,636	614,412	513,598	149,174	10,604
Construction in Progress	1,158,379	-	278,952	-	64,311,992
Total Governmental Activities					
Capital Assets, net	<u>\$ 114,798,570</u>	<u>\$ 115,021,526</u>	<u>\$ 118,850,543</u>	<u>\$ 122,807,741</u>	<u>\$ 118,831,840</u>

**Source:** School District financial records.

**Note:** Amounts above are presented net of accumulated depreciation.

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

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Heritage Elementary (1907) (1)						
Square feet	92,544	92,544	92,544	92,544	92,544	92,544
Capacity (students)	771	771	771	771	771	771
Enrollment	736	869	655	576	471	444
Fairfield Elementary (1980)						
Square feet	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	787	787	787	787	787	787
Enrollment	767	696	659	643	665	647
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	372	372	372	372	372	372
Enrollment	729	773	860	739	656	585
Tussing Elementary (1996)						
Square feet	75,501	75,501	75,501	75,501	75,501	75,501
Capacity (students)	653	653	653	653	653	653
Enrollment	811	844	789	820	814	788
Violet Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	372	372	372	372	372	372
Enrollment	700	721	747	732	736	709
Diley Middle School (2000)						
Square feet	94,951	94,951	94,951	94,951	94,951	94,951
Capacity (students)	693	693	693	693	693	693
Enrollment	725	684	681	689	697	617
Harmon Middle School (2000)						
Square feet	89,211	89,211	89,211	89,211	89,211	89,211
Capacity (students)	656	656	656	656	656	656
Enrollment	850	646	632	679	641	641
Ridgeview Junior High School (1968)						
Square feet	115,851	115,851	115,851	115,851	115,851	115,851
Capacity (students)	821	821	821	821	821	821
Enrollment	823	719	637	599	1,321	1,253
Lakeeview Junior High School (2003)						
Square feet	142,082	142,082	142,082	142,082	n/a	n/a
Capacity (students)	1,008	1,008	1,008	1,008	n/a	n/a
Enrollment	860	879	809	801	n/a	n/a
Pickerington Central High School (1991)						
Square feet	245,652	245,652	245,652	245,652	245,652	245,652
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,349	1,216	1,088	1,170	2,386	2,251
Pickerington North High School (2003)						
Square feet	323,473	323,473	323,473	323,473	n/a	n/a
Capacity (students)	1,937	1,937	1,937	1,937	n/a	n/a
Enrollment	1,666	1,676	1,676	1,418	n/a	n/a
Total enrollment by year	10,016	9,723	9,233	8,866	8,387	7,935

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

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

In cases in which enrollment numbers are larger than capacity the District has utilized portable classrooms which are not included in the square footage amounts.

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

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

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

<b>2001 (2)</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
92,544	92,544	92,544	92,544
-	771	771	771
-	1,130	1,126	1,073
48,435	48,435	48,435	48,435
787	787	787	787
632	631	629	606
46,516	46,516	46,516	46,516
372	372	372	372
826	747	734	704
75,501	75,501	75,501	75,501
653	653	653	653
769	690	657	574
46,516	46,516	46,516	46,516
372	372	372	372
776	756	726	740
94,951	n/a	n/a	n/a
693	n/a	n/a	n/a
569	n/a	n/a	n/a
89,211	n/a	n/a	n/a
656	n/a	n/a	n/a
616	n/a	n/a	n/a
115,851	115,851	115,851	115,851
821	821	821	821
1,222	1,142	1,056	1,010
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
2,138	2,079	2,064	1,979
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
7,548	7,175	6,992	6,686

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

**EDUCATIONAL INDICATORS  
LAST TEN FISCAL YEARS**

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<b>3rd Grade Achievement</b>										
(Initiated March, 2005)										
Reading	90.6%	90.6%	90.9%	92.8%	n/a	n/a	n/a	n/a	n/a	n/a
Mathematics	87.0%	83.8%	80.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>4th Grade Proficiency/Achievement</b>										
(Initiated March, 1995)										
Reading	89.0%	89.5%	89.7%	87.5%	82.7%	83.2%	79.6%	84.2%	86.7%	70.1%
Writing	90.5%	93.1%	90.3%	91.0%	88.3%	90.8%	93.3%	95.2%	84.3%	79.9%
Mathematics	84.7%	89.7%	82.0%	82.9%	77.6%	83.9%	84.2%	76.3%	81.1%	71.1%
Science	n/a	n/a	77.7%	79.7%	73.0%	79.0%	80.0%	77.4%	79.2%	73.0%
Citizenship	n/a	n/a	83.2%	79.3%	79.9%	85.7%	84.4%	85.7%	93.4%	78.0%
<b>5th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	89.5%	87.0%	89.6%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mathematics	71.1%	72.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Science	82.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Citizenship	74.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>6th Grade Proficiency/Achievement</b>										
(Initiated March, 1996)										
Reading	89.4%	94.6%	84.2%	85.5%	86.4%	79.9%	83.2%	80.9%	79.4%	76.9%
Writing	n/a	n/a	93.6%	97.2%	95.2%	97.3%	96.7%	93.5%	95.9%	97.6%
Mathematics	82.0%	74.7%	80.7%	87.6%	73.8%	86.3%	87.7%	84.7%	79.7%	68.3%
Science	n/a	n/a	80.6%	83.1%	87.2%	83.1%	86.5%	77.6%	68.0%	69.2%
Citizenship	n/a	n/a	88.5%	88.5%	91.5%	93.8%	90.7%	93.7%	93.1%	84.9%
<b>7th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	89.5%	91.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mathematics	79.2%	74.8%	71.3%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Writing	93.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>8th Grade Achievement</b>										
(Initiated March, 2005)										
Reading	92.5%	88.7%	90.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mathematics	86.2%	81.5%	74.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Science	81.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Citizenship	70.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>9th Grade Proficiency</b>										
(Passing on 1st Attempt)										
Writing	n/a	n/a	n/a	97.9%	96.4%	97.8%	99.2%	98.2%	97.9%	97.9%
Reading	n/a	n/a	n/a	97.3%	95.4%	97.3%	97.5%	98.8%	97.6%	97.3%
Mathematics	n/a	n/a	n/a	91.8%	89.9%	91.3%	92.0%	94.8%	89.5%	90.1%
Citizenship	n/a	n/a	n/a	95.9%	93.8%	96.6%	95.5%	96.4%	94.2%	93.4%
Science	n/a	n/a	n/a	95.6%	92.1%	96.2%	93.2%	95.0%	93.0%	90.7%
<b>10th Grade Ohio Graduation Test (OGT):</b>										
(Initiated March, 2005)										
Reading	94.1%	96.3%	97.2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Writing	94.8%	96.0%	93.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mathematics	93.0%	93.6%	92.7%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Science	84.3%	88.8%	87.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Social Studies	87.1%	91.6%	89.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>ODE Per Pupil Costs</b>										
Pickerington	\$ 8,917	\$ 8,834	\$ 8,346	\$ 7,998	\$ 7,426	\$ 7,430	\$ 6,854	\$ 6,371	\$ 6,075	\$ 5,852
State	\$ 9,586	\$ 9,356	\$ 9,048	\$ 8,758	\$ 8,438	\$ 8,073	\$ 7,602	\$ 7,057	\$ 6,642	\$ 6,232
<b>Pupil/Teacher Ratio</b>	20.50	20.20	21.00	21.40	18.00	18.10	20.10	19.90	20.70	21.00
<b>Student Attendance Rate</b>	96.4%	96.4%	96.6%	96.6%	96.2%	96.0%	95.8%	95.9%	95.5%	95.9%
<b>High School Graduation Rate</b>	n/a	98.1%	97.1%	95.8%	98.2%	95.9%	96.2%	92.2%	92.8%	92.6%
<b>Performance Standards</b>										
Pickerington	27	22	21	18	20	22	27	27	26	16
Number of Standards	30	25	23	18	22	22	27	27	27	18
Rating	Continuous Improvement	Excellent	Effective	Excellent	Effective	Excellent	Excellent	*Effective	*Effective	-
<b>Performance Index Score</b>	100.0	101.1	99.7	99.5	96.7	n/a	n/a	n/a	n/a	n/a

Sources: School District records and Ohio Department of Education

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



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

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>General Government</b>	<b>Governmental Activities (2)</b>	<b>Enrollment (3)</b>	<b>Percent Change</b>	<b>Teaching Staff</b>
	<b>Expenditures (1)</b>	<b>Expenses (1)</b>			
2007	\$ 94,554,987	\$ 94,489,579	10,016	3.01%	689
2006	85,965,745	89,821,383	9,723	5.31%	658
2005	79,928,897	83,927,573	9,233	4.14%	618
2004	78,263,326	73,414,993	8,866	5.71%	617
2003	97,167,641	64,576,632	8,387	5.70%	586
2002	86,453,357	n/a	7,935	5.13%	554
2001	59,561,928	n/a	7,548	5.20%	554
2000	58,117,935	n/a	7,175	2.62%	474
1999	48,654,580	n/a	6,992	4.58%	430
1998	37,819,694	n/a	6,686	1.80%	430

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

(1) Debt Service totals have been excluded.

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

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

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

Note: Cost per pupil, teacher/pupil ratios and attendance rates have been presented on the "Educational Indicators - Last Ten Fiscal Years" table on page S 26.

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**Mary Taylor, CPA**  
Auditor of State

**PICKERINGTON LOCAL SCHOOL DISTRICT**

**FAIRFIELD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 13, 2008**