

Comprehensive Annual



Financial Report



The Pickerington Local School District Comprehensive Annual Financial Report

Board of Education
Pickerington Local School District
Pickerington, Ohio
For Fiscal Year Ended June 30, 2010

Celebrating Excellence Since 1909



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian & Grube, Inc., for the audit period July 1, 2009 through June 30, 2010. 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.

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

Dave Yost
Auditor of State

February 8, 2011

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**PICKERINGTON LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2010

**PREPARED BY
TREASURER'S DEPARTMENT
DAN GRISCOM, 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, 2010

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PICKERINGTON LOCAL SCHOOL DISTRICT

Office of the Treasurer

90 East Street, Pickerington, Ohio 43147

Phone: 614-833-2112 Fax: 614-833-2126

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December 17, 2010

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, 2010 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA).

The 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, 2010, 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 complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

The District originated in the late 1800's, built its first building in 1907, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, three middle schools, and seven elementary schools as of June 30, 2010. The District had approximately 10,552 students enrolled during the 2009-10 school year.

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

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

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

Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

Management believes that the 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”), students with disabilities 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 1,800 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.

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 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 year 2007 for the purpose of constructing a middle school and two elementary buildings. Construction was completed in the summer of 2009. The three new buildings opened on schedule at the beginning of the 2009-10 school year.

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

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

STUDENT ACHIEVEMENT

Scholastic Performance: For the 2009-2010 school year, the District met 25 out of 26 indicators on the Ohio Department of Education’s Local Report Card for schools. In addition, the District earned a Performance Index

100.7, and met the federal Adequate Yearly Progress goals established by No Child Left Behind with eight subgroups of students. Pickerington Local Schools earned an “Excellent” rating by the Ohio Department of Education. The District graduated 95% of students for the 2008-2009 school year, exceeding the State requirement of 90%.

MAJOR INITIATIVES AND PROGRAM ACCOMPLISHMENTS

Data Analysis: Building Leadership Teams analyze and disaggregate all value-added and achievement results with all teachers of Core Content areas. Data from Ohio Achievement Tests (administered to grades levels 3-8) and the Ohio Graduation Tests are analyzed by grade level, content area, and subgroups including standard, response type and item analysis. Teacher-leaders receive training on using data to inform instructional decisions in the classroom.

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

Professional Development: Job-embedded professional learning opportunities are provided to all teaching staff during monthly two-hour late starts and state-granted waiver days. Professional development revolves around using research-based instructional strategies and incorporating 21st Century skills into daily practice. Building Core Teams analyze data to craft Continuous Improvement Plans (CIP). Professional development is provided to teams of teachers based on the instructional needs at the building, grade, or subject level. Instructional Coaches at grades K-8 assist teachers as they meet the needs of all students and implement differentiated instructional practices.

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

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

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

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

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

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

Currently, the District is improving communications with parents by providing on-line access to student’s academic progress. The District also has a listserv that is utilized by principals and the District Director of Communications to keep parents informed about district news and events. Teachers have technology web pages and are providing on-line information about homework assignments.

There are six technology coaches that work directly in K-8 buildings assisting teachers in technology/curriculum integration. The District created a Help Desk that makes technical services for teachers more efficient.

Expanded Summer School Opportunities: The district has expanded instructional opportunities to students via a comprehensive Summer Academy, which provides remedial classes in the summer and beyond the regular school day. During the summer, the District provides K-3 students intervention in both reading and math. Summer intervention is available for high school students in all content areas in preparation for re-taking the Ohio Graduation Test (OGT). High School students have the opportunity to earn Physical Education credit during summer months.

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

In addition to summer programs, before and after school intervention is provided in each elementary for students below grade-level in Reading and/or Mathematics.

Comprehensive Continuous Improvement Plan:

The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District including: Improving Student Achievement and Hiring of teachers who are Highly Qualified. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title 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). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2010.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. Our District has been awarded the 21st Century Learning Grant to provide after-school intervention to junior high students. In addition, both high schools have been selected as an implementation site for the Ohio Performance Assessment Project in Math and Science.

Special Education: The District's Special Education Programs provide a full continuum of services from kindergarten through 12th grade based on the individual needs of its 1190 students on Individualized Education Programs (IEPs). Services are provided in all 14 buildings and programs outside of the District. These services range from inclusion support to homebound/hospitalization. Some of the low incidence classrooms are shared across the district requiring some students to be transported outside of their home building in order to receive the services that are offered in those classrooms. These would include multiple disabilities, emotional disturbance, cognitive disabilities, and the autism classrooms. The District supports these classrooms through smaller class sizes (based on state requirements), intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 34 low incidence classrooms that either service the building in which it is located or is shared across the District. Each building has at least one special education cross-categorical classroom that serves as a resource room for students. Students in these classrooms receive a range of services from instruction in a content area to supporting classroom teachers by addressing specific skill deficits a student may have. The District also offers inclusion support in many buildings with its special education teachers. These teachers support and co-teach with regular education teachers in the general education setting without pulling the IEP students from the classroom. Pickerington has 52 teachers that provide cross-categorical resource room services, inclusion support in the regular classroom, or even a combination of both.

These classrooms are supported by a well-experienced related services staff that consist of six school psychologists, nearly 7.5 speech therapists, 2.2 occupational therapists, two adaptive physical education teachers, one physical therapist, one assistive technology/visual impairment teacher, one academic/behavior coach, one work-study coordinator, one behavior intervention specialist, and one social worker. Some additional services are contracted with other agencies as well. All these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by five special education administrators. A special education director oversees all the programs at a district level. Three special education secretaries maintain the special education records and enter critical information into the Education Management Information System (EMIS).

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 continue to 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. However, on November 2, 2010, voters narrowly defeated a replacement operating levy of 8 mills, which would have resulted in a 6.84 mill increase. The levy would have generated approximately \$7.6 million per year. The levy was needed by the District due to state and local revenue losses and increasing costs. Due to the levy failure, the District is faced with implementing substantial budget reductions for Fiscal Year 2012, and it is likely that the District will attempt another levy passage in calendar year 2011.

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 year 2010, 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, 2009. 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. Special thanks go 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,



Daniel C. Griscom

Treasurer

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

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

JUNE 30, 2010

Board of Education Members

President
Vice President
Member
Member
Member

Mr. Lee Gray
Mrs. Lisa Reade
Mr. R. Clayton Lopez
Mrs. Cathy Olshefski
Mrs. Lori Sanders

Appointed Officials

Superintendent
Treasurer

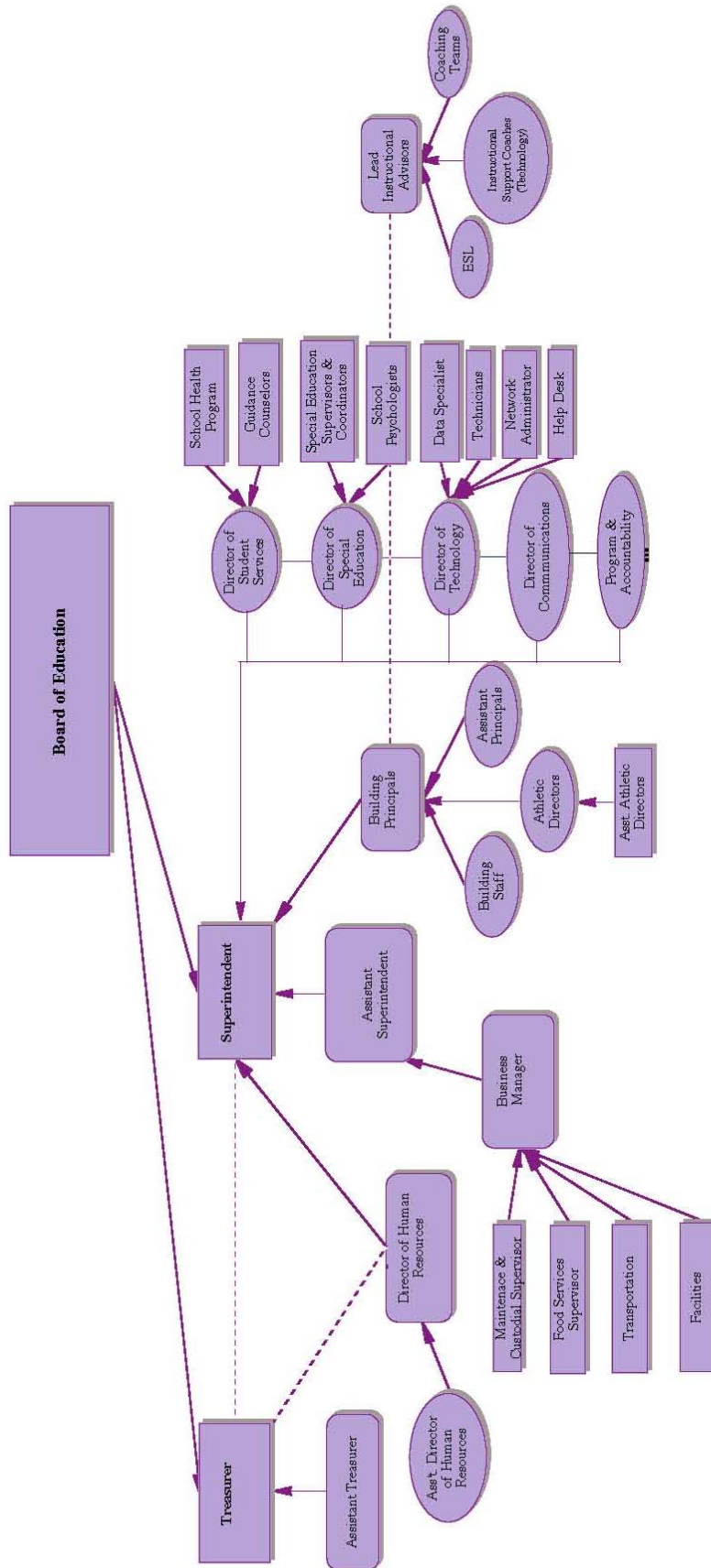
Dr. Karen Mantia
Daniel C. Griscom

Administrative Staff

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

James Sotlar
Dr. Lawrence Mullins
Michael Smith
Keltah Houser-Siders
W. Vince Utterback
Cindi Goldhaber
Scott Reeves
Jeff Clark
Susan Caudill
Heather Hedgepeth
D. Mark Jones
Gary Morrow
Ruth Stickel
David Toopes
Melissa Moriarty
Jeannette Henson
Molly Dalgarn
Kristi Motsch
Sharon Caccimelio

PICKERINGTON LOCAL SCHOOL DISTRICT ORGANIZATIONAL CHART



- Pickerington High School Central
- Pickerington High School North
- Lakeview Junior High
- Ridgeview Junior High
- Diley Middle School
- Harmon Middle School
- Tollgate Middle School
- Fairfield Elementary
- Heritage Elementary
- Pickerington Elementary
- Sycamore Elementary
- Tollgate Elementary
- Tussing Elementary
- Violet Elementary

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, 2009

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.



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President

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Executive Director

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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

Pickerington Local School District
90 East Street
Pickerington, OH 43147

To the Board of Education:

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, 2010, 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 reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, 2010, 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 17, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 of Pickerington Local School District. 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 17, 2010

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets of governmental activities decreased \$9,948,316 which represents a 12.09% decrease from 2009.
- General revenues accounted for \$101,945,787 in revenue or 88.47% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,286,904 or 11.53% for total revenues of \$115,232,691.
- The District had \$125,181,007 in expenses related to governmental activities; only \$13,286,904 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$101,945,787 were not adequate to provide for these programs.
- The District's major governmental funds include the general, district debt service fund and the classroom facilities fund. The general fund had \$88,131,361 in revenues and \$94,419,285 in expenditures. During fiscal year 2010, the general fund's balance decreased \$6,287,924 from \$12,473,926 to \$6,186,002.
- The district debt service fund had \$14,396,032 in revenues and \$14,013,948 in expenditures. The district debt service fund's balance increased \$382,084 from \$15,759,606 to \$16,141,690.
- The classroom facilities fund had \$10,920,824 in revenues and \$2,129,301 in expenditures. The classroom facilities fund increased \$8,791,523 from \$116,650 to a balance of \$8,908,173.

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 fund, district debt service fund and classroom facilities fund which are reported as major funds.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 2010?" 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 classroom facilities 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 21 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Reporting the District's Fiduciary Responsibilities

The District 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 a separate statement of fiduciary net assets on page F 22. 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 23 – F 56 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 at June 30, 2010 and June 30, 2009.

	Net Assets	
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
<u>Assets</u>		
Current and other assets	\$ 140,347,262	\$ 152,069,250
Capital assets, net	<u>152,654,730</u>	<u>156,062,081</u>
Total assets	<u>293,001,992</u>	<u>308,131,331</u>
<u>Liabilities</u>		
Current liabilities	51,324,182	51,143,249
Long-term liabilities	<u>169,307,713</u>	<u>174,669,669</u>
Total liabilities	<u>220,631,895</u>	<u>225,812,918</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	8,748,029	8,765,183
Restricted	79,798,417	78,804,109
Unrestricted (deficit)	<u>(16,176,349)</u>	<u>(5,250,879)</u>
Total net assets	<u>\$ 72,370,097</u>	<u>\$ 82,318,413</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$72,370,097. At fiscal year-end, restricted net assets were \$79,798,417.

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

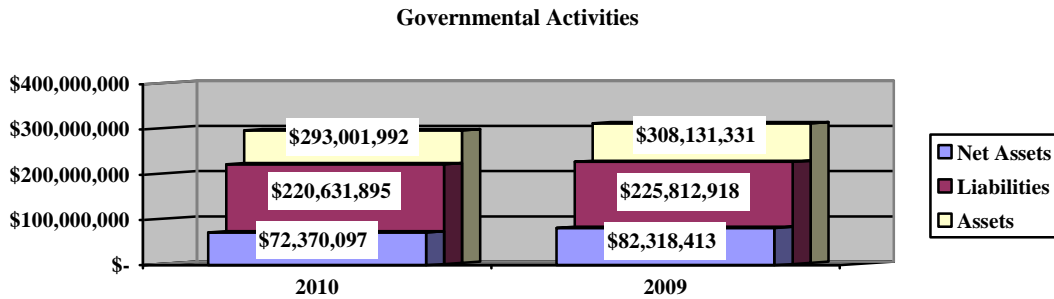
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Assets decreased \$15,129,339 or 4.91%. This decrease is primarily due the District being approved for an Ohio School Facilities Commission (OSFC) Project. In 2009 the State approved the District for \$52,387,820 in funding to improve and renovate buildings in the District. Liabilities of the District decreased \$5,181,023 or 2.29%. This decrease can be attributed to the repayment of general obligation bonds during fiscal year 2010.

At fiscal year-end, capital assets represented 52.10% 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, 2010, were \$8,748,029. 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, \$79,798,417, represents resources that are subject to external restriction on how they may be used. Of this amount, \$53,891,452 is restricted for capital projects and \$16,762,215 is restricted for debt service. Net assets restricted for capital projects have decreased \$3,120,959 as the District began the OSFC project. The remaining balance of unrestricted net assets is a deficit of \$16,176,349.

The graph below illustrates the District's assets, liabilities and net assets at June 30, 2010 and June 30, 2009.



The table below shows the change in net assets for fiscal years 2010 and 2009.

Change in Net Assets

	Governmental Activities 2010	Governmental Activities 2009
Revenues		
Program revenues:		
Charges for services and sales	\$ 4,868,765	\$ 4,892,717
Operating grants and contributions	8,418,139	7,477,582
Capital grants and contributions	-	82,369
General revenues:		
Property taxes	40,460,230	41,803,958
School district income taxes	12,328,783	12,707,691
Grants and entitlements not restricted	48,622,410	47,962,247
Grants and entitlements restricted for OSFC	-	52,387,820
Investment earnings	311,036	1,438,880
Other	223,328	139,844
Total revenues	115,232,691	168,893,108

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Change in Net Assets

	<u>Governmental Activities 2010</u>	<u>Governmental Activities 2009</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 55,599,841	\$ 49,069,735
Special	8,960,949	7,847,020
Vocational	1,114,525	1,115,837
Other	3,055,912	2,824,261
Support services:		
Pupil	5,150,296	4,669,725
Instructional staff	7,571,863	6,755,547
Board of education	575,199	528,045
Administration	8,822,490	7,916,045
Fiscal	1,744,987	1,718,035
Business	578,191	624,827
Operations and maintenance	9,740,418	9,375,277
Pupil transportation	5,966,014	5,034,148
Central	171,148	176,045
Operation of non-instructional services:		
Food service operations	4,379,685	4,134,640
Other non-instructional services	73,232	72,379
Extracurricular activities	3,135,454	2,799,921
Interest and fiscal charges	<u>8,540,803</u>	<u>8,870,980</u>
Total expenses	<u>125,181,007</u>	<u>113,532,467</u>
Change in net assets	(9,948,316)	55,360,641
Net assets at beginning of year	<u>82,318,413</u>	<u>26,957,772</u>
Net assets at end of year	<u>\$ 72,370,097</u>	<u>\$ 82,318,413</u>

Governmental Activities

Net assets of the District's governmental activities decreased \$9,948,316. Total governmental expenses of \$125,181,007 were offset by program revenues of \$13,286,904 and general revenues of \$101,852,023. Program revenues supported 10.61% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted and restricted grants and entitlements from the State of Ohio. These revenue sources represent 88.01% of total governmental revenue. Real estate property is reappraised every six years.

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.

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

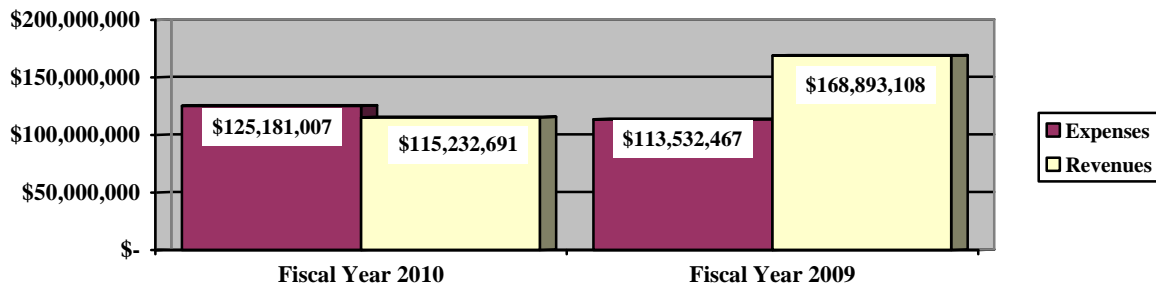
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Revenues decreased \$53,660,417 or 31.77%. This decrease is primarily due to the State granting the District \$52,387,820 for the OSFC project in 2009. Operating grants and contributions increased \$940,557 due to increases in State and federal funding in the food services fund (a nonmajor governmental fund) and the Title VI-B fund (a nonmajor governmental fund). The District also saw an approximate \$500,000 increase in special education foundation funding from the State. Unrestricted grants and entitlements increased \$660,163 due to increases in State funding.

Expenses increased \$11,648,540 or 10.26%. The most significant increases were in the area of instruction expenses. This increase was the result of new teaching positions added throughout the District as well as scheduled teacher contract increases.

The graph below presents the District's governmental activities revenues and expenses for fiscal years 2010 and 2009.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

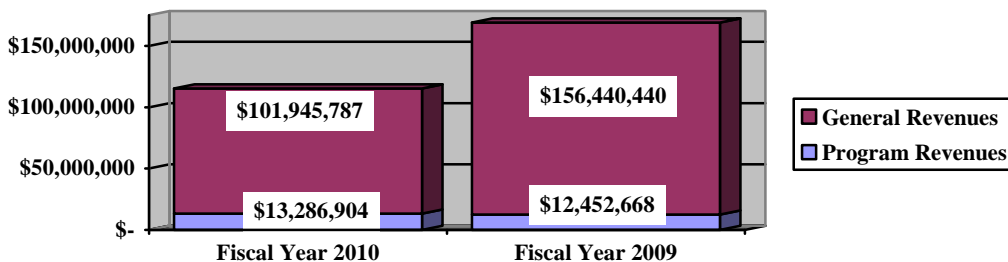
Governmental Activities

	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>	Total Cost of Services <u>2009</u>	Net Cost of Services <u>2009</u>
Program expenses				
Instruction:				
Regular	\$ 55,599,841	\$ 52,175,296	\$ 49,069,735	\$ 47,625,473
Special	8,960,949	6,734,249	7,847,020	3,795,248
Vocational	1,114,525	954,268	1,115,837	951,381
Other	3,055,912	2,966,598	2,824,261	2,812,725
Support services:				
Pupil	5,150,296	4,485,792	4,669,725	4,062,557
Instructional staff	7,571,863	6,559,097	6,755,547	6,164,317
Board of education	575,199	575,199	528,045	528,045
Administration	8,822,490	8,630,440	7,916,045	7,747,870
Fiscal	1,744,987	1,744,987	1,718,035	1,718,035
Business	578,191	578,191	624,827	624,827
Operations and maintenance	9,740,418	9,681,455	9,375,277	9,262,402
Pupil transportation	5,966,014	5,733,400	5,034,148	4,730,217
Central	171,148	171,148	176,045	174,355
Operations of non-instructional services:				
Food service operations	4,379,685	565,972	4,134,640	555,191
Other non-instructional services	73,232	(13,430)	72,379	20,584
Extracurricular activities	3,135,454	1,810,638	2,799,921	1,435,592
Interest and fiscal charges	<u>8,540,803</u>	<u>8,540,803</u>	<u>8,870,980</u>	<u>8,870,980</u>
Total expenses	<u>\$ 125,181,007</u>	<u>\$ 111,894,103</u>	<u>\$ 113,532,467</u>	<u>\$ 101,079,799</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 91.41% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 89.39%. The District's taxpayers and restricted and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2010 and 2009.

Governmental Activities - General and Program Revenues



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$44,486,453, which is less than last year's total of \$45,082,222. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and June 30, 2009.

	<u>Fund Balance June 30, 2010</u>	<u>Fund Balance June 30, 2009</u>	<u>Increase/ (Decrease)</u>
General	\$ 6,186,002	\$ 12,473,926	\$ (6,287,924)
District debt service	16,141,690	15,759,606	382,084
Classroom facilities	8,908,173	116,650	8,791,523
Other governmental	<u>13,250,588</u>	<u>16,732,040</u>	<u>(3,481,452)</u>
Total	<u>\$ 44,486,453</u>	<u>\$ 45,082,222</u>	<u>\$ (595,769)</u>

General Fund

The District's general fund balance decreased \$6,287,924.

	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 40,182,376	\$ 40,715,595	\$ (533,219)	(1.31) %
Tuition	403,544	422,997	(19,453)	(4.60) %
Earnings on investments	367,262	855,758	(488,496)	(57.08) %
Intergovernmental	47,106,549	50,175,109	(3,068,560)	(6.12) %
Other revenues	<u>71,630</u>	<u>108,454</u>	<u>(36,824)</u>	<u>(33.95) %</u>
Total	<u>\$ 88,131,361</u>	<u>\$ 92,277,913</u>	<u>\$ (4,146,552)</u>	<u>(4.49) %</u>
<u>Expenditures</u>				
Instruction	\$ 54,982,404	\$ 55,807,651	(825,247)	(1.48) %
Support services	37,516,678	33,844,203	3,672,475	10.85 %
Extracurricular activities	1,862,376	1,558,133	304,243	19.53 %
Facilities acquisition and construction	<u>57,827</u>	<u>218,565</u>	<u>(160,738)</u>	<u>(73.54) %</u>
Total	<u>\$ 94,419,285</u>	<u>\$ 91,428,552</u>	<u>\$ 2,990,733</u>	<u>3.27 %</u>

Overall revenues of the general fund decreased \$4,146,552 or 4.49%. The most significant decrease was in the area intergovernmental revenues. The decrease of \$3,068,560 in intergovernmental revenues can be attributed to the Ohio Department of Education removing a portion of the state foundation payments and supplementing it with federal monies in the form of State Fiscal Stabilization Funds. These supplemented funds had previously been received directly into the general fund but are now being received into a nonmajor governmental fund. Earnings on investments decreased \$488,496 due to lower interest rates earned on investments compared to fiscal year 2009.

Expenditures of the general fund increased \$2,990,733 or 3.27%. The most significant increases were in the areas of support services. These expenditures increased \$3,672,475. These increases are primarily due to an increase in staff as well as scheduled contract increases in salaries.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

District Debt Service Fund

The District's district debt service fund balance increased \$382,084. This increase in fund balance is due to revenues exceeding the scheduled principal and interest payments on bonds. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 12,734,088	\$ 12,767,981	\$ (33,893)	(0.27) %
Other local revenues	15,559	24,063	(8,504)	(35.34) %
Intergovernmental	<u>1,646,385</u>	<u>1,628,996</u>	<u>17,389</u>	1.07 %
Total	<u>\$ 14,396,032</u>	<u>\$ 14,421,040</u>	<u>\$ (25,008)</u>	(0.17) %
<u>Expenditures</u>				
Support services	\$ 226,080	\$ 228,108	\$ (2,028)	(0.89) %
Debt service	<u>13,787,868</u>	<u>13,547,874</u>	<u>239,994</u>	1.77 %
Total	<u>\$ 14,013,948</u>	<u>\$ 13,775,982</u>	<u>\$ 237,966</u>	1.73 %

Classroom Facilities Fund

The classroom facilities fund had \$10,920,824 in revenues and \$2,129,301 in expenditures. The District was approved late in fiscal year 2010 for an OSFC project to improve and renovate certain buildings in the District.

	<u>2010 Amount</u>	<u>2009 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Earnings on investments	\$ 1,946	\$ 118,880	\$ (116,934)	(98.36) %
Intergovernmental - State	<u>10,918,878</u>	<u>-</u>	<u>10,918,878</u>	100.00 %
Total	<u>\$ 10,920,824</u>	<u>\$ 118,880</u>	<u>\$ 10,801,944</u>	9,086.43 %
<u>Expenditures</u>				
Facilities acquisition and construction	<u>\$ 2,129,301</u>	<u>\$ 2,230</u>	<u>\$ 2,127,071</u>	95,384.35 %
Total	<u>\$ 2,129,301</u>	<u>\$ 2,230</u>	<u>\$ 2,127,071</u>	95,384.35 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 2010, the District amended the general fund's budget. For the general fund, original and final budgeted revenues and other financing sources were \$92,435,615 and \$88,335,615 respectively. Actual revenues and other financing sources for fiscal year 2010 were \$88,360,362. This represents a \$24,747 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 \$97,361,677. The actual budget basis expenditures for fiscal year 2010 totaled \$95,029,292, which was \$2,332,385 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2010, the District had \$152,654,730 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 June 30, 2010 balances compared to June 30, 2009 balances:

	Capital Assets at June 30 (Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land	\$ 9,300,237	\$ 7,754,673
Construction-in-progress	2,692,206	50,924,298
Land improvements	12,468,688	8,137,713
Building and improvements	125,387,591	87,381,727
Furniture and equipment	1,928,096	1,289,372
Vehicles	<u>877,912</u>	<u>574,298</u>
Total	<u>\$ 152,654,730</u>	<u>\$ 156,062,081</u>

The total additions to capital assets for fiscal year 2010 were \$3,787,618. The primary source for additions is the ongoing construction of two elementary schools and one middle school. The overall decrease in capital assets, net of depreciation, of \$3,407,351 is due to the recording of additions of \$3,787,618, depreciation in the amount of \$6,106,060 and disposals of \$1,088,909 (net of accumulated depreciation).

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Debt Administration

At June 30, 2010, the District had \$161,845,660 in general obligation bonds. Of this total, \$8,723,965 is due within one year and \$153,121,695 is due in greater than one year. The District also had \$1,172,415 outstanding for a lease purchase agreement issued during a prior fiscal year. Of this amount, \$75,543 is due within one year and \$1,096,872 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.

Outstanding Debt, at Year End

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
General obligation bonds	\$ 161,845,660	\$ 167,360,747
Lease purchase agreement	<u>1,172,415</u>	<u>1,309,602</u>
Total	<u>\$ 163,018,075</u>	<u>\$ 168,670,349</u>

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

Current Financial Related Activities

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

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

The most recent State report card (for the 2007-08 school year) shows the District's students meeting 29 out of 30 criteria, as well as achieving two consecutive years of "adequate yearly progress" (AYP), which earned the District the State's highest rating of "excellent with distinction." The District was able to reach this goal while maintaining total expenditures per student at an amount well below the State average for comparable districts.

The District has experienced steadily increasing enrollment for many years, and increasing enrollment translates to both additional staffing and building needs. The District depends heavily on the State; approximately 51% of the (cash-basis) revenue of the general fund is received from the State. However, the State of Ohio is currently experiencing large budget shortfalls, so it is likely there will be increasing dependence on local sources of revenues. This comes at a time when the local economy is facing its share of challenges also, particularly from the slump in the housing market, and a lower rate of growth in personal income.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

The District also faces challenges in the areas of facilities and operations. There is a need to find alternatives for housing of students through 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.

The District passed a 5 mill replacement levy on November 6, 2007, for a continuing period of time. The tax collections, which began January 2009, are to be used for current operating expenses.

In addition, on March 4, 2009, District voters approved a 7.9 mill renewal levy, for a continuing period of time. The levy commences in tax year 2009 with collections beginning January 2010. The levy proceeds will be used for current operating expenses.

In May 2009, District residents approved the extension of a 0.5 mill classroom facilities maintenance levy. This levy generates approximately \$400,000 per year, which is restricted for the maintenance of the District's facilities. The renewal of this levy enabled the District to qualify for over \$50 million in state funds from the Ohio School Facilities Commission. These funds are being used to renovate the district's five oldest school buildings.

On November 2, 2010, voters narrowly defeated a replacement operating levy of 8 mills, which would have resulted in a 6.84 mill increase. The levy would have generated approximately \$7.6 million per year. The levy was needed by the District due to state and local revenue losses and increasing costs. Due to the levy failure, the District is faced with implementing substantial budget reductions for fiscal year 2012, and it is likely that the District will attempt another levy passage in calendar year 2011.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Dan Griscom, Treasurer of Pickerington Local School District at 90 East Street, Pickerington, Ohio 43147.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 49,581,817
Cash with fiscal agent	21,881
Cash in segregated accounts	84,124
Receivables:	
Property taxes	43,180,850
Income taxes.	4,411,715
Payment in lieu of taxes	93,764
Accounts.	49,872
Accrued interest	36,629
Intergovernmental	41,814,505
Prepayments	114,907
Materials and supplies inventory.	46,661
Unamortized bond issuance costs.	910,537
Capital assets:	
Land and construction in progress.	11,992,443
Depreciable capital assets, net.	140,662,287
Capital assets, net	152,654,730
Total assets.	293,001,992
 Liabilities:	
Accounts payable.	962,286
Contracts payable.	674,547
Retainage payable	84,124
Accrued wages and benefits	9,107,022
Pension obligation payable.	2,256,201
Intergovernmental payable	586,411
Unearned revenue	37,206,964
Accrued interest payable	424,746
Matured bonds payable.	20,000
Matured interest payable	1,881
Long-term liabilities:	
Due within one year.	9,628,374
Due in more than one year	159,679,339
Total liabilities	220,631,895
 Net Assets:	
Invested in capital assets, net of related debt.	8,748,029
Restricted for:	
Capital projects	53,891,452
Classroom facilities maintenance	3,311,840
Debt service.	16,762,215
Locally funded programs	364,109
State funded programs.	32,173
Federally funded programs	880,012
Public school support	253,558
Student activities	465,627
Other purposes	3,837,431
Unrestricted (deficit)	(16,176,349)
Total net assets	\$ 72,370,097

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, 2010

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 55,599,841	\$ 860,381	\$ 2,564,164	\$ (52,175,296)
Special	8,960,949	106,344	2,120,356	(6,734,249)
Vocational	1,114,525	-	160,257	(954,268)
Other	3,055,912	10,697	78,617	(2,966,598)
Support services:				
Pupil	5,150,296	-	664,504	(4,485,792)
Instructional staff	7,571,863	31,957	980,809	(6,559,097)
Board of education	575,199	-	-	(575,199)
Administration	8,822,490	-	192,050	(8,630,440)
Fiscal	1,744,987	-	-	(1,744,987)
Business	578,191	-	-	(578,191)
Operations and maintenance	9,740,418	54,363	4,600	(9,681,455)
Pupil transportation	5,966,014	-	232,614	(5,733,400)
Central	171,148	-	-	(171,148)
Operation of non-instructional services:				
Food service operations	4,379,685	2,625,572	1,188,141	(565,972)
Other non-instructional services	73,232	63,026	23,636	13,430
Extracurricular activities	3,135,454	1,116,425	208,391	(1,810,638)
Interest and fiscal charges	8,540,803	-	-	(8,540,803)
Total governmental activities	\$ 125,181,007	\$ 4,868,765	\$ 8,418,139	(111,894,103)

General Revenues:

Property taxes levied for:	
General purposes	27,409,960
Special revenue	359,894
Debt service	12,690,376
School district income tax	12,328,783
Grants and entitlements not restricted to specific programs	48,622,410
Payment in lieu of taxes	93,764
Investment earnings	311,036
Miscellaneous	129,564
Total general revenues	101,945,787
Change in net assets	(9,948,316)
Net assets at beginning of year	82,318,413
Net assets at end of year	\$ 72,370,097

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General</u>	<u>District Debt Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 11,659,792	\$ 14,879,494	\$ 9,560,327	\$ 13,459,520	\$ 49,559,133
Cash with fiscal agent.	-	21,881	-	-	21,881
Cash in segregated accounts	-	-	-	84,124	84,124
Receivables:					
Property taxes.	29,150,019	13,491,587	-	539,244	43,180,850
Income taxes	4,411,715	-	-	-	4,411,715
Payment in lieu of taxes	46,639	15,559	-	31,566	93,764
Accounts.	49,872	-	-	-	49,872
Intergovernmental	-	-	41,468,942	345,563	41,814,505
Accrued interest	36,629	-	-	-	36,629
Prepayments.	111,518	-	-	3,389	114,907
Materials and supplies inventory.	-	-	-	46,661	46,661
Restricted assets:					
Equity in pooled cash and cash equivalents	22,684	-	-	-	22,684
Total assets	<u>\$ 45,488,868</u>	<u>\$ 28,408,521</u>	<u>\$ 51,029,269</u>	<u>\$ 14,510,067</u>	<u>\$ 139,436,725</u>
Liabilities:					
Accounts payable	\$ 869,079	\$ -	\$ -	\$ 93,207	\$ 962,286
Contracts payable.	-	-	652,154	22,393	674,547
Retainage payable.	-	-	-	84,124	84,124
Accrued wages and benefits.	8,911,594	-	-	195,428	9,107,022
Compensated absences payable	300,066	-	-	-	300,066
Pension obligation payable	2,112,181	-	-	144,020	2,256,201
Intergovernmental payable	537,732	-	-	48,679	586,411
Matured bonds payable	-	20,000	-	-	20,000
Matured interest payable.	-	1,881	-	-	1,881
Unearned revenue.	25,113,928	11,598,363	-	494,673	37,206,964
Deferred revenue	1,458,286	646,587	41,468,942	176,955	43,750,770
Total liabilities.	<u>39,302,866</u>	<u>12,266,831</u>	<u>42,121,096</u>	<u>1,259,479</u>	<u>94,950,272</u>
Fund Balances:					
Reserved for encumbrances	907,110	-	1,319,185	3,279,681	5,505,976
Reserved for school bus purchases	22,684	-	-	-	22,684
Reserved for materials and supplies inventory	-	-	-	46,661	46,661
Reserved for tax revenue unavailable for appropriation	2,685,711	1,262,196	-	50,293	3,998,200
Reserved for prepayments.	111,518	-	-	3,389	114,907
Reserved for debt service	-	14,879,494	-	376,519	15,256,013
Reserved for termination benefits	-	-	-	300,000	300,000
Unreserved:					
Designated for budget stabilization	2,458,979	-	-	-	2,458,979
Undesignated, reported in:					
Special revenue funds	-	-	-	5,820,541	5,820,541
Capital projects funds	-	-	7,588,988	3,373,504	10,962,492
Total fund balances	<u>6,186,002</u>	<u>16,141,690</u>	<u>8,908,173</u>	<u>13,250,588</u>	<u>44,486,453</u>
Total liabilities and fund balances	<u>\$ 45,488,868</u>	<u>\$ 28,408,521</u>	<u>\$ 51,029,269</u>	<u>\$ 14,510,067</u>	<u>\$ 139,436,725</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total governmental fund balances		\$	44,486,453
<i>Amounts reported for governmental activities on 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.			152,654,730
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	2,069,450	
Accounts receivable		34,081	
Intergovernmental receivable		41,620,053	
Accrued interest receivable		27,186	
Total		43,750,770	43,750,770
Unamortized deferred charges are not recognized in the funds.			2,563,972
Unamortized premiums on bond issuances are not recognized in the funds.			(4,131,558)
Unamortized bond issuance costs are not recognized in the funds.			910,537
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(424,746)
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		(161,845,660)	
Lease purchase obligation		(1,172,415)	
Compensated absences		(4,421,986)	
Total		(167,440,061)	(167,440,061)
Net assets of governmental activities		\$	72,370,097

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General	District Debt Service	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:					
From local sources:					
Property taxes	\$ 27,853,593	\$ 12,734,088	\$ -	\$ 515,472	\$ 41,103,153
Income taxes	12,328,783	-	-	-	12,328,783
Tuition	403,544	-	-	28,236	431,780
Earnings on investments	367,262	-	1,946	9,972	379,180
Charges for services	-	-	-	2,625,572	2,625,572
Extracurricular	-	-	-	1,015,191	1,015,191
Classroom materials and fees	-	-	-	498,254	498,254
Rental income	14,866	-	-	197,200	212,066
Contributions and donations	-	-	-	115,477	115,477
Other local revenues	10,125	-	-	304,931	315,056
Payment in lieu of taxes	46,639	15,559	-	31,566	93,764
Intergovernmental - state	47,034,759	1,646,385	10,918,878	331,177	59,931,199
Intergovernmental - federal	71,790	-	-	7,613,472	7,685,262
Total revenues	88,131,361	14,396,032	10,920,824	13,286,520	126,734,737
Expenditures:					
Current:					
Instruction:					
Regular	43,879,538	-	-	2,659,489	46,539,027
Special	7,074,834	-	-	1,699,688	8,774,522
Vocational	1,080,428	-	-	-	1,080,428
Other	2,947,604	-	-	101,628	3,049,232
Support services:					
Pupil	4,311,662	-	-	664,538	4,976,200
Instructional staff	6,395,468	-	-	1,020,896	7,416,364
Board of education	569,839	-	-	-	569,839
Administration	8,475,904	-	-	192,348	8,668,252
Fiscal	1,489,781	226,080	-	20,364	1,736,225
Business	572,732	-	-	-	572,732
Operations and maintenance	9,302,771	-	-	37,791	9,340,562
Pupil transportation	6,234,801	-	-	12,683	6,247,484
Central	163,720	-	-	1,523	165,243
Operation of non-instructional services:					
Food service operations	-	-	-	3,989,268	3,989,268
Other non-instructional services	-	-	-	73,232	73,232
Extracurricular activities	1,862,376	-	-	1,113,063	2,975,439
Facilities acquisition and construction	57,827	-	2,129,301	4,651,814	6,838,942
Debt service:					
Principal retirement	-	8,245,000	-	287,187	8,532,187
Interest and fiscal charges	-	5,542,868	-	199,583	5,742,451
Total expenditures	94,419,285	14,013,948	2,129,301	16,725,095	127,287,629
Excess (deficiency) of revenues over (under) expenditures	(6,287,924)	382,084	8,791,523	(3,438,575)	(552,892)
Other financing sources (uses):					
Transfers in	-	-	-	2,000,000	2,000,000
Transfers (out)	-	-	-	(2,000,000)	(2,000,000)
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(6,287,924)	382,084	8,791,523	(3,438,575)	(552,892)
Fund balances at beginning of year	12,473,926	15,759,606	116,650	16,732,040	45,082,222
Decrease in reserve for inventory	-	-	-	(42,877)	(42,877)
Fund balances at end of year	\$ 6,186,002	\$ 16,141,690	\$ 8,908,173	\$ 13,250,588	\$ 44,486,453

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds		\$	(552,892)
<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 costs 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	\$	3,787,618	
Current year depreciation		<u>(6,106,060)</u>	
Total			(2,318,442)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.			
			(1,088,909)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes		(642,923)	
Earnings on investments		(65,567)	
Rental income		3,344	
Intergovernmental		<u>(10,775,738)</u>	
Total			(11,480,884)
Governmental funds report expenditures for inventory when purchased, however, in the statement of activities they are reported as an expense when consumed.			
			(42,877)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement net assets.			
Bonds		8,395,000	
Lease purchase obligation		<u>137,187</u>	
Total			8,532,187
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities.			
Decrease in accrued interest payable		54,544	
Accreted interest on "capital appreciation" bonds		(2,879,913)	
Amortization of bond issuance costs		(50,466)	
Amortization on bond premiums		229,903	
Amortization of deferred charges on refundings		<u>(152,420)</u>	
Total			(2,798,352)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
			<u>(198,147)</u>
Change in net assets of governmental activities		<u>\$</u>	<u>(9,948,316)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 27,931,568	\$ 23,831,568	\$ 28,010,389	\$ 4,178,821
Income taxes.	13,260,686	13,260,686	12,328,300	(932,386)
Tuition.	417,737	417,737	403,544	(14,193)
Earnings on investments	800,000	800,000	401,483	(398,517)
Rental income	55,000	55,000	14,866	(40,134)
Other local revenues	10,511	10,511	10,252	(259)
Payment in lieu of taxes	46,639	46,639	46,639	-
Intergovernmental - state	49,843,350	49,843,350	47,073,052	(2,770,298)
Intergovernmental - federal	-	-	71,790	71,790
Total revenues	<u>92,365,491</u>	<u>88,265,491</u>	<u>88,360,315</u>	<u>94,824</u>
Expenditures:				
Current:				
Instruction:				
Regular	44,365,659	44,365,659	43,766,215	599,444
Special.	7,268,963	7,268,963	6,902,763	366,200
Vocational.	1,127,416	1,127,416	1,081,748	45,668
Other.	2,980,653	2,980,653	2,979,807	846
Support services:				
Pupil.	4,334,909	4,334,909	4,310,979	23,930
Instructional staff	6,573,020	6,573,020	6,567,541	5,479
Board of education	704,977	704,977	670,155	34,822
Administration.	8,485,989	8,485,989	8,403,932	82,057
Fiscal	1,631,558	1,631,558	1,558,979	72,579
Business	700,888	700,888	589,026	111,862
Operations and maintenance.	9,910,734	9,910,734	9,843,066	67,668
Pupil transportation	6,711,677	6,711,677	6,393,077	318,600
Central.	186,496	186,496	181,490	5,006
Extracurricular activities.	2,239,838	2,239,838	1,728,247	511,591
Facilities acquisition and construction	138,900	138,900	52,267	86,633
Total expenditures	<u>97,361,677</u>	<u>97,361,677</u>	<u>95,029,292</u>	<u>2,332,385</u>
Excess of expenditures over revenues	<u>(4,996,186)</u>	<u>(9,096,186)</u>	<u>(6,668,977)</u>	<u>2,427,209</u>
Other financing sources:				
Refund of prior year's expenditures	70,000	70,000	-	(70,000)
Sale of assets	124	124	47	(77)
Total other financing sources	<u>70,124</u>	<u>70,124</u>	<u>47</u>	<u>(70,077)</u>
Net change in fund balance	(4,926,062)	(9,026,062)	(6,668,930)	2,357,132
Fund balance at beginning of year	14,555,095	14,555,095	14,555,095	-
Prior year encumbrances appropriated	2,258,429	2,258,429	2,258,429	-
Fund balance at end of year	<u>\$ 11,887,462</u>	<u>\$ 7,787,462</u>	<u>\$ 10,144,594</u>	<u>\$ 2,357,132</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
JUNE 30, 2010

	Agency
Assets:	
Equity in pooled cash and cash equivalents	\$ 223,608
Total assets.	\$ 223,608
 Liabilities:	
Accounts payable.	\$ 47,661
Due to students.	159,827
Deposits held and due to others	16,120
Total liabilities	\$ 223,608

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, 2010**

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 15th largest by enrollment among the 905 public school districts and community schools in the State. The District employs 345 non-certified, 707 certified and 63 administrative employees to provide services to approximately 10,552 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) guidance issued on or before November 30, 1989, to its governmental activities provided it does 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 and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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

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 (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

OSBA/OASBO 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 SchoolComp Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

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

Ohio School Plan

The Ohio School Plan (the "Plan") is a shared liability, property and fleet insurance risk pool which is governed by a board of thirteen school superintendents, business managers and treasurers. OSBA, BASA and OASBO executive directors serve as ex-officio members. 270 educational entities are served by the Plan. The Plan's board elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the plan. All Plan revenues are generated from charges for services. For more information, write to the Ohio School Plan, Hylant Administrative Services, P.O. Box 2083, Toledo, OH 43603-2083.

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, 2010

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 nonmajor debt service fund.

Classroom facilities fund - The classroom facilities capital projects fund is used to account for financial resources and expenditures related to the school facilities construction project.

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) food service and uniform school supplies operations; (c) grants and other resources whose use is restricted to a particular purpose; and (d) 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 has no trust funds. 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, 2010

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.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 17). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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, 2010, but which were levied to finance fiscal year 2011 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 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 entitlement value of donated commodities received during the year is reported as an expenditure with a like amount reported as intergovernmental revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 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, 2010**

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. 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 cash equivalents" on the financial statements.

During fiscal year 2010, investments were limited to nonnegotiable certificates of deposits, federal agency securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2010.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$367,262, which includes \$111,773 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, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. On the fund financial statements, inventories are accounted for using the 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, 2010

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. Donated commodities are valued at entitlement value.

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 deductions during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2010, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities Estimated Lives
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, 2010.

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
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 10.

K. Compensated Absences

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

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

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

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, bus purchases, materials and supplies inventory, termination benefits 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.

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 school bus purchases and the following nonmajor governmental funds: food services, school trusts, uniform school supplies and 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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

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. At June 30, 2010, the District had \$22,684 in restricted assets, which is described in Note 18.

R. Interfund Activity

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

S. Extraordinary and Special Items

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2010, the District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the District.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the District.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the 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);

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Cash with Fiscal Agent

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

B. Cash in Segregated Accounts

At fiscal year end \$84,124 was maintained in a depository account that the District established for funds related to retainage set-aside for construction projects. This depository account is included in total amount of "Deposits with Financial Institutions" below.

C. Deposits with Financial Institutions

At June 30, 2010, the carrying amount of all District deposits was \$34,637,123. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$25,332,540 of the District's bank balance of \$35,832,540 was exposed to custodial risk as discussed below, while \$10,500,000 was covered by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

D. Investments

As of June 30, 2010, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6 months or less</u>	<u>7 to 12 months</u>
FHLB	\$ 3,002,210	\$ 2,001,910	\$ 1,000,300
FFCB	1,000,090	-	1,000,090
STAR Ohio	<u>11,272,007</u>	<u>11,272,007</u>	-
Total	<u>\$ 15,274,307</u>	<u>\$ 13,273,917</u>	<u>\$ 2,000,390</u>

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

Credit Risk: The District's investments in federal securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District has no investment policy dealing with credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The 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, 2010

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, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 3,002,210	19.65
FFCB	1,000,090	6.55
STAR Ohio	11,272,007	73.80
Total	<u>\$ 15,274,307</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 note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 34,637,123
Investments	<u>15,274,307</u>
Total	<u>\$ 49,911,430</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 49,687,822
Agency funds	<u>223,608</u>
Total	<u>\$ 49,911,430</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental funds from:</u>	
Nonmajor governmental funds	<u>\$ 2,000,000</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. This transfer was to move interest earnings currently held in a school building construction fund to a permanent improvement fund as permitted under Section 5705.10 of the Ohio Revised Code.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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.

The District receives property taxes from Fairfield and Franklin Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$2,685,711 in the general fund, \$1,262,196 in the debt service fund, \$14,664 in the library debt service fund (a nonmajor governmental fund) and \$35,629 in the facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2009 was 2,842,507 in the general fund, \$1,293,485 in the debt service fund, \$15,484 in the library debt service fund (a nonmajor governmental fund) and \$37,225 in the facilities maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,122,774,350	98.43	\$ 1,142,219,960	98.77
Public utility personal	12,697,600	1.11	13,415,950	1.16
Tangible personal property	<u>5,172,720</u>	<u>0.46</u>	<u>851,030</u>	<u>0.07</u>
Total	<u><u>\$ 1,140,644,670</u></u>	<u><u>100.00</u></u>	<u><u>\$ 1,156,486,940</u></u>	<u><u>100.00</u></u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$66.70		\$66.70	
Bond	12.50		12.90	
Facilities maintenance	0.50		0.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2010 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:

Governmental activities:

Property taxes	\$ 43,180,850
Income taxes	4,411,715
Payment in lieu of taxes	93,764
Accounts	49,872
Intergovernmental	41,814,505
Accrued interest	<u>36,629</u>
Total	<u><u>\$ 89,587,335</u></u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within one year except for the OSFC grant of \$41,468,942 (a component of intergovernmental receivable) which will be collected over the term of the construction project.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance <u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2010</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 7,754,673	\$ 1,654,507	\$ (108,943)	\$ 9,300,237
Construction in progress	<u>50,924,298</u>	<u>2,123,150</u>	<u>(50,355,242)</u>	<u>2,692,206</u>
Total capital assets, not being depreciated	<u>58,678,971</u>	<u>3,777,657</u>	<u>(50,464,185)</u>	<u>11,992,443</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	13,084,912	5,604,007	(487,446)	18,201,473
Building and improvements	136,295,512	43,092,118	(465,186)	178,922,444
Furniture and equipment	4,016,777	1,210,179	(260,040)	4,966,916
Vehicles	<u>1,232,548</u>	<u>458,899</u>	<u>(22,488)</u>	<u>1,668,959</u>
Total capital assets, being depreciated	<u>154,629,749</u>	<u>50,365,203</u>	<u>(1,235,160)</u>	<u>203,759,792</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(4,947,199)	(809,958)	24,372	(5,732,785)
Building and improvements	(48,913,785)	(4,627,321)	6,253	(53,534,853)
Furniture and equipment	(2,727,405)	(513,496)	202,081	(3,038,820)
Vehicles	<u>(658,250)</u>	<u>(155,285)</u>	<u>22,488</u>	<u>(791,047)</u>
Total accumulated depreciation	<u>(57,246,639)</u>	<u>(6,106,060)</u>	<u>255,194</u>	<u>(63,097,505)</u>
Governmental activities capital assets, net	<u>\$ 156,062,081</u>	<u>\$ 48,036,800</u>	<u>\$ (51,444,151)</u>	<u>\$ 152,654,730</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 4,144,326
Special	201,317
Vocational	26,821
Other	6,680
<u>Support services:</u>	
Pupil	129,946
Instructional staff	285,145
Board of education	5,360
Administration	88,331
Fiscal	1,060
Operations and maintenance	364,556
Pupil transportation	142,981
Central	2,811
Extracurricular activities	166,463
Food service operation	<u>540,263</u>
Total depreciation expense	<u>\$ 6,106,060</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE

During a previous fiscal year, 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, 2010, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$100,206 has been booked as of June 30, 2010 leaving a book value of \$1,569,916. Lease-purchase payments have been reflected as debt service expenditures from the other local grants fund (a nonmajor governmental fund). Principal and interest payments totaled \$137,187 and \$170,583, respectively.

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, 2010.

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2011	\$ -
2012	153,885
2013	153,885
2014	153,885
2015	153,886
2016 - 2020	769,425
2021	<u>307,749</u>
Total minimum lease payments	1,692,715
Less: amount representing interest	<u>(520,300)</u>
Present value of minimum lease payments	<u>\$ 1,172,415</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

The District has eight general obligation bond issues outstanding. These bonds were issued for general governmental activities, specifically; construction, and/or renovation of school buildings, and construction of a public library. These general obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and payable from taxes levied on all taxable property in the school district. Accordingly, such unmatured obligations of the District are accounted for on the statement of net 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).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2010:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>
General Obligation Bonds:				
Series 1993, capital appreciation bonds	\$ 600,753	\$ -	\$ (153,469)	\$ 447,284
Series 1993, capital appreciation bonds accreted interest	6,123,543	981,346	(1,721,531)	5,383,358
Series 1994, current interest bonds	560,000	-	(560,000)	-
Series 1999, current interest bonds	1,635,000	-	(800,000)	835,000
Series 1999, capital appreciation bonds	599,708	-	-	599,708
Series 1999, capital appreciation bonds accreted interest	772,889	113,569	-	886,458
Series 2001, current interest bonds	3,015,000	-	(3,015,000)	-
Series 2001, capital appreciation bonds	14,664,893	-	-	14,664,893
Series 2001, capital appreciation bonds accreted interest	6,794,055	1,104,741	-	7,898,796
Public Library Refunding Bonds:				
Series 2002, current interest bonds	840,000	-	(150,000)	690,000
Series 2002, capital appreciation bonds	40,000	-	-	40,000
Series 2002, capital appreciation bonds accreted interest	54,516	13,189	-	67,705

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Balance			Balance
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2010</u>
General Obligation Bonds:				
Series 2004, current interest refunding bonds	\$ 7,105,000	\$ -	\$ (70,000)	\$ 7,035,000
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	153,925	41,082	-	195,007
Series 2006, current interest refunding bonds	60,205,000	-	(730,000)	59,475,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	1,876,564	625,986	-	2,502,550
Series 2007, current interest bonds	<u>57,065,000</u>	<u>-</u>	<u>(1,195,000)</u>	<u>55,870,000</u>
Total general obligation bonds	<u>\$ 167,360,747</u>	<u>\$ 2,879,913</u>	<u>\$ (8,395,000)</u>	<u>\$ 161,845,660</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 \$447,284. The capital appreciation bonds mature on each December 1 beginning in 2010 through 2014. In fiscal year 2009, capital appreciation bonds of \$168,874 matured with a total accreted interest of \$1,606,127. In fiscal year 2010, capital appreciation bonds of \$153,469 matured with a total accreted interest of \$1,721,531. The capital appreciation bonds have stated 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 remaining capital appreciation bonds is \$7,750,000. A total of \$5,383,358 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2010.

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 matured on December 1, 2009.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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, 2010, the remaining issue is comprised of both current interest bonds, par value \$835,000 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 (stated interest rate 8.38%) and December 1, 2012 (stated interest rate 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 \$886,458 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2010.

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 was refunded by the Series 2006 refunding general obligation bonds.

At June 30, 2010, the remaining issue is comprised of capital appreciation bonds, par value \$14,664,893. 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 \$7,898,796 in accreted interest on the capital appreciation bonds has been included on the statement of net assets at June 30, 2010.

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.

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 (stated interest 13.95%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$235,000. Total accreted interest of \$67,705 has been included on 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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. The outstanding current interest bonds of \$690,000, capital appreciation bonds of \$40,000, deferred charges of \$15,426 and unamortized premiums of \$36,094 are not included in the calculation of invested in capital assets, net of related debt because the proceeds of these bonds were not used to purchase capital assets held by the District.

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 (stated interest rate 14.60%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$845,000. Total accreted interest of \$195,007 has been included on the statement of net assets at June 30, 2010.

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.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 (stated interest rate 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$16,780,000. Total accreted interest of \$2,502,550 has been included on the statement of net assets.

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

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

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034. At June 30, 2010, there was \$2,994,418 in unspent proceeds of the Series 2007 general obligation bonds.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 3,640,000	\$ 5,360,585	\$ 9,000,585	\$ 2,256,353	\$ 3,058,647	\$ 5,315,000
2012	2,910,000	5,230,340	8,140,340	2,747,924	4,032,076	6,780,000
2013	3,010,000	5,113,389	8,123,389	2,607,724	4,282,276	6,890,000
2014	3,995,000	4,973,831	8,968,831	2,162,231	3,202,769	5,365,000
2015	4,140,000	4,802,134	8,942,134	2,120,542	1,969,458	4,090,000
2016 - 2020	15,600,000	19,130,299	34,730,299	9,112,012	16,677,988	25,790,000
2021 - 2025	38,805,000	15,715,088	54,520,088	-	-	-
2026 - 2030	35,080,000	6,995,656	42,075,656	-	-	-
2031 - 2035	16,725,000	1,836,318	18,561,318	-	-	-
Total	<u>\$ 123,905,000</u>	<u>\$ 69,157,640</u>	<u>\$ 193,062,640</u>	<u>\$ 21,006,786</u>	<u>\$ 33,223,214</u>	<u>\$ 54,230,000</u>

The difference in the amount due in one year in the schedule below in Note 10.C. and the amortization schedule above is \$231,035 of accreted interest which will accrete during fiscal year 2010.

C. During the fiscal year 2010, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2009	Additions	Reductions	Balance Outstanding June 30, 2010	Amounts Due in One Year
Governmental activities:					
<u>General Obligation Bonds:</u>					
General obligation bonds	\$ 167,360,747	\$ 2,879,913	\$ (8,395,000)	\$ 161,845,660	\$ 8,723,965
Total general obligation bonds payable	<u>167,360,747</u>	<u>2,879,913</u>	<u>(8,395,000)</u>	<u>161,845,660</u>	<u>8,723,965</u>
<u>Other Long-Term Obligations:</u>					
Lease Purchase	1,309,602	-	(137,187)	1,172,415	75,543
Compensated absences	<u>4,354,251</u>	<u>1,295,399</u>	<u>(927,598)</u>	<u>4,722,052</u>	<u>828,866</u>
Total other long-term obligations	<u>5,663,853</u>	<u>1,295,399</u>	<u>(1,064,785)</u>	<u>5,894,467</u>	<u>904,409</u>
Total governmental activities	<u>\$ 173,024,600</u>	<u>\$ 4,175,312</u>	<u>\$ (9,459,785)</u>	167,740,127	<u>\$ 9,628,374</u>
Less: Unamortized deferred charges on refundings				(2,563,972)	
Add: Unamortized premiums on refundings				<u>4,131,558</u>	
Total on statement of net assets				<u>\$ 169,307,713</u>	

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 10 - 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 9 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 (a nonmajor governmental fund).

D. Legal Debt Margin

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

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities and that insufficient capacity exists within the 9 percent limit to finance additional facilities, the State Department of Education may declare that District a "special needs" District. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The District was determined to be a "special needs" District on March 28, 1996 and confirmed on October 5, 2000 and again in October, 2006. In addition, the unvoted net debt of a school district cannot exceed 0.1 percent of the total assessed value of property. On June 30, 2010, the District had no unvoted debt.

E. State Loans

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn twelve to twenty days of vacation per year, with a maximum accrual of 36 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 65 days for both certificated and classified employees. An employee receiving such payment must meet the retirement provisions set by STRS Ohio and SERS.

NOTE 12 - RISK MANAGEMENT

A. Property and Liability

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

Total policy coverage - includes the following:	
Property limit (\$1,000 deductible)	\$264,106,709
Boiler and Machinery (\$1,000 deductible)	100,000,000
Automobile liability (\$1,000 deductible)	4,000,000
Medical payments	5,000
Public Employee Dishonesty	100,000
General school district liability:	
Per occurrence	4,000,000
Total per year	6,000,000

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

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).

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 12 - 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/OASBO Workers' Compensation Group Rating Plan

For fiscal year 2010, the District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool program offered jointly by the Ohio School Board Association (OSBA) and the Ohio Association of school Business Officials (OASBO) (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.

Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

NOTE 13 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - 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 2010, 12.74 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$1,250,323, \$806,275 and \$770,542, respectively; 47.60 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2010, 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. Contribution rates are established by the State Teachers Retirement Board, upon recommendations 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, 2010, 2009 and 2008 were \$6,721,083 \$6,491,643 and \$6,275,519, respectively; 82.53 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$321,118 made by the District and \$229,370 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$219,843, \$533,432 and \$504,520, respectively; 47.60 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$74,354, \$66,524 and \$55,519, respectively; 47.60 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$517,006, \$499,357 and \$482,732, respectively; 82.53 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

NOTE 15 - 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 revenues, 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); and,
- (d) Investments are reported as fair market value (GAAP basis) rather than cost (budget basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ (6,668,930)
Net adjustment for revenue accruals	(228,954)
Net adjustment for expenditure accruals	(927,035)
Net adjustment for other sources/uses	(47)
Adjustment for encumbrances	<u>1,537,042</u>
GAAP basis	<u><u>\$ (6,287,924)</u></u>

NOTE 16 - CONTINGENCIES

A. Grants

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

B. Litigation

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

NOTE 17 - SCHOOL DISTRICT INCOME TAX

The District currently benefits from a 1% income tax, which is assessed on all residents of the District. In 2010, the District income tax generated \$12,328,783 in revenue. The District apportions all the proceeds to the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 18 - STATUTORY RESERVES

The District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition Reserve</u>
Set-aside balance as of June 30, 2009	\$ (4,241,329)	\$ (141,615,483)
Current year set-aside requirement	1,703,506	1,703,506
Qualifying disbursements	<u>(1,134,958)</u>	<u>-</u>
Total	<u>\$ (3,672,781)</u>	<u>\$ (139,911,977)</u>
Balance carried forward to fiscal year 2011	<u>\$ (3,672,781)</u>	<u>\$ (139,911,977)</u>

The District had qualifying disbursements during the fiscal 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 in a prior fiscal 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 addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of the restricted assets at June 30, 2010 follows:

Amount restricted for school bus purchases	<u>\$ 22,684</u>
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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. For fiscal year 2010, the fund balance designation for budget stabilization will be recorded as \$2,458,979 which is the unreserved, undesignated fund balance in the general fund. The District will report the entire designation of \$2,627,993 for budget stabilization in future reporting periods if the unreserved, undesignated fund balance in the general fund is sufficient.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 19 - CONTRACTUAL COMMITMENTS

The District had the following contractual commitments outstanding at June 30, 2010 related to construction contracts:

Contractor	Total Contract	Amount Paid By June 30, 2010	Remaining Commitment
Apple Computer, Inc.	\$ 709,800	\$ -	\$ 709,800
City of Pickerington	50,000	-	50,000
Frey Scientific	50,000	-	50,000
Gandee & Associates, Inc.	35,075	(3,500)	31,575
Geotechnical Consultants, Inc.	44,695	-	44,695
Heapy Engineering	228,233	(27,276)	200,957
Heiberger Paving, Inc.	20,685	-	20,685
Kleingers & Associates, Inc.	24,675	(6,650)	18,025
Legacy Commercial Flooring	112,230	(40,218)	72,012
Modern Office Methods	84,440	-	84,440
Petermann Plumbing & Heating, Inc.	91,937	(7,679)	84,258
Rain One Irrigation	30,000	-	30,000
Steed Hammond Paul, Inc.	4,890,417	(3,679,846)	1,210,571
Tom Sexton & Associates, Inc.	24,081	-	24,081
Total	<u>\$ 6,396,268</u>	<u>\$ (3,765,169)</u>	<u>\$ 2,631,099</u>

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

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**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.

Classroom Facilities Fund

This fund is used to account for financial resources and expenditures related to the school facilities construction project fund.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over</u>
	<u>Original</u>	<u>Final</u>		
District Debt Service				
Total Revenues and Other Sources	\$ 13,854,062	\$ 14,424,062	\$ 14,427,321	\$ 3,259
Total Expenditures and Other Uses	<u>14,029,968</u>	<u>14,029,968</u>	<u>14,013,948</u>	<u>16,020</u>
Net Change in Fund Balances	(175,906)	394,094	413,373	19,279
Fund Balance, July 1	<u>14,466,121</u>	<u>14,466,121</u>	<u>14,466,121</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 14,290,215</u>	<u>\$ 14,860,215</u>	<u>\$ 14,879,494</u>	<u>\$ 19,279</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Classroom Facilities				
Total Revenues and Other Sources	\$ 3,000,000	\$ 5,819,000	\$ 10,920,824	\$ 5,101,824
Total Expenditures and Other Uses	<u>2,618,880</u>	<u>5,293,880</u>	<u>3,085,910</u>	<u>2,207,970</u>
Net Change in Fund Balances	381,120	525,120	7,834,914	7,309,794
Fund Balance, July 1	<u>118,880</u>	<u>118,880</u>	<u>118,880</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 500,000</u>	<u>\$ 644,000</u>	<u>\$ 7,953,794</u>	<u>\$ 7,309,794</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,551,853	\$ 376,519	\$ 6,531,148	\$ 13,459,520
Cash in segregated accounts.	-	-	84,124	84,124
Receivables:				
Property taxes	382,743	156,501	-	539,244
Payment in lieu of taxes	443	181	30,942	31,566
Intergovernmental	345,563	-	-	345,563
Prepayments.	3,389	-	-	3,389
Materials and supplies inventory	46,661	-	-	46,661
Total assets.	<u>\$ 7,330,652</u>	<u>\$ 533,201</u>	<u>\$ 6,646,214</u>	<u>\$ 14,510,067</u>
Liabilities:				
Accounts payable.	\$ 93,207	\$ -	\$ -	\$ 93,207
Contracts payable.	-	-	22,393	22,393
Retainage payable	-	-	84,124	84,124
Accrued wages and benefits	195,428	-	-	195,428
Pension obligation payable.	144,020	-	-	144,020
Intergovernmental payable	48,679	-	-	48,679
Unearned revenue	329,214	134,517	30,942	494,673
Deferred revenue.	169,454	7,501	-	176,955
Total liabilities.	<u>980,002</u>	<u>142,018</u>	<u>137,459</u>	<u>1,259,479</u>
Fund balances:				
Reserved for encumbrances.	144,430	-	3,135,251	3,279,681
Reserved for materials and supplies inventory	46,661	-	-	46,661
Reserved for tax revenue				
unavailable for appropriation.	35,629	14,664	-	50,293
Reserved for prepayments.	3,389	-	-	3,389
Reserved for debt service	-	376,519	-	376,519
Reserved for termination benefits	300,000	-	-	300,000
Unreserved:				
Special revenue funds	5,820,541	-	-	5,820,541
Capital projects funds	-	-	3,373,504	3,373,504
Total fund balances	<u>6,350,650</u>	<u>391,183</u>	<u>6,508,755</u>	<u>13,250,588</u>
Total liabilities and fund balances.	<u>\$ 7,330,652</u>	<u>\$ 533,201</u>	<u>\$ 6,646,214</u>	<u>\$ 14,510,067</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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 365,655	\$ 149,817	\$ -	\$ 515,472
Tuition	28,236	-	-	28,236
Earnings on investments	2,577	-	7,395	9,972
Charges for services	2,625,572	-	-	2,625,572
Extracurricular	1,015,191	-	-	1,015,191
Classroom materials and fees	498,254	-	-	498,254
Rental income.	163,600	-	33,600	197,200
Contributions and donations	115,477	-	-	115,477
Other local revenues	182,799	-	122,132	304,931
Payment in lieu of taxes.	443	181	30,942	31,566
Intergovernmental - state	311,732	19,445	-	331,177
Intergovernmental - federal	7,613,472	-	-	7,613,472
Total revenues	<u>12,923,008</u>	<u>169,443</u>	<u>194,069</u>	<u>13,286,520</u>
Expenditures:				
Current:				
Instruction:				
Regular.	2,659,489	-	-	2,659,489
Special	1,699,688	-	-	1,699,688
Other	101,628	-	-	101,628
Support services:				
Pupil	664,538	-	-	664,538
Instructional staff.	1,017,926	-	2,970	1,020,896
Administration	192,348	-	-	192,348
Fiscal.	17,635	2,729	-	20,364
Operations and maintenance	37,910	-	(119)	37,791
Pupil transportation	12,683	-	-	12,683
Central	1,523	-	-	1,523
Operation of non-instructional services:				
Food service operations	3,989,268	-	-	3,989,268
Other non-instructional services.	73,232	-	-	73,232
Extracurricular activities	1,113,063	-	-	1,113,063
Facilities acquisition and construction	128,576	-	4,523,238	4,651,814
Debt service:				
Principal retirement.	137,187	150,000	-	287,187
Interest and fiscal charges.	170,583	29,000	-	199,583
Total expenditures	<u>12,017,277</u>	<u>181,729</u>	<u>4,526,089</u>	<u>16,725,095</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>905,731</u>	<u>(12,286)</u>	<u>(4,332,020)</u>	<u>(3,438,575)</u>
Other financing sources (uses):				
Transfers in	-	-	2,000,000	2,000,000
Transfers (out)	-	-	(2,000,000)	(2,000,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	905,731	(12,286)	(4,332,020)	(3,438,575)
Fund balances at beginning of year	5,487,796	403,469	10,840,775	16,732,040
Decrease in reserve for inventory	(42,877)	-	-	(42,877)
Fund balances at end of year.	<u>\$ 6,350,650</u>	<u>\$ 391,183</u>	<u>\$ 6,508,755</u>	<u>\$ 13,250,588</u>

**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.

Facilities 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.

Teacher Development 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)

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.

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.

Education Stabilization Fund

To account for Federal stimulus funds received through State foundation for the purpose of stabilizing the District's budgets.

Stimulus Title II D

To account for Federal stimulus funds that provides the District with funding for classroom technology resources and professional development on technology integration.

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 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.

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.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<u>Food Services</u>	<u>School Trusts</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,090,169	\$ 14,270	\$ 130,270	\$ 260,676
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental	-	-	-	-
Prepayments.	3,389	-	-	-
Materials and supplies inventory	46,661	-	-	-
Total assets.	<u>\$ 1,140,219</u>	<u>\$ 14,270</u>	<u>\$ 130,270</u>	<u>\$ 260,676</u>
Liabilities:				
Accounts payable.	\$ 20,170	\$ -	\$ 16,457	\$ 4,094
Accrued wages and benefits	184,307	-	-	2
Pension obligation payable.	134,733	-	-	3,022
Intergovernmental payable	2,176	-	-	-
Unearned revenue	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>341,386</u>	<u>-</u>	<u>16,457</u>	<u>7,118</u>
Fund balances (deficits):				
Reserved for encumbrances	47,172	-	17,563	3,473
Reserved for materials and supplies inventory	46,661	-	-	-
Reserved for tax revenue unavailable for appropriation.	-	-	-	-
Reserved for prepayments	3,389	-	-	-
Reserved for termination benefits	-	-	-	-
Unreserved (deficit).	701,611	14,270	96,250	250,085
Total fund balances (deficits)	<u>798,833</u>	<u>14,270</u>	<u>113,813</u>	<u>253,558</u>
Total liabilities and fund balances(deficits)	<u>\$ 1,140,219</u>	<u>\$ 14,270</u>	<u>\$ 130,270</u>	<u>\$ 260,676</u>

<u>Other Local Grants</u>	<u>Facilities Maintenance</u>	<u>Termination Benefits</u>	<u>Student Activity</u>	<u>Teacher Development</u>	<u>EMIS</u>	<u>Summer School Subsidy</u>
\$ 367,729	\$ 3,257,868	\$ 300,000	\$ 471,671	\$ 100	\$ 30,621	\$ 1,552
-	382,743	-	-	-	-	-
-	443	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 367,729</u>	<u>\$ 3,641,054</u>	<u>\$ 300,000</u>	<u>\$ 471,671</u>	<u>\$ 100</u>	<u>\$ 30,621</u>	<u>\$ 1,552</u>
\$ 3,620	\$ -	\$ -	\$ 6,044	\$ 100	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	329,214	-	-	-	-	-
-	18,343	-	-	-	-	-
<u>3,620</u>	<u>347,557</u>	<u>-</u>	<u>6,044</u>	<u>100</u>	<u>-</u>	<u>-</u>
2,705	-	-	14,337	-	28	-
-	-	-	-	-	-	-
-	35,629	-	-	-	-	-
-	-	-	-	-	-	-
-	-	300,000	-	-	-	-
<u>361,404</u>	<u>3,257,868</u>	<u>-</u>	<u>451,290</u>	<u>-</u>	<u>30,593</u>	<u>1,552</u>
<u>364,109</u>	<u>3,293,497</u>	<u>300,000</u>	<u>465,627</u>	<u>-</u>	<u>30,621</u>	<u>1,552</u>
<u>\$ 367,729</u>	<u>\$ 3,641,054</u>	<u>\$ 300,000</u>	<u>\$ 471,671</u>	<u>\$ 100</u>	<u>\$ 30,621</u>	<u>\$ 1,552</u>

- - (Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2010

	<u>Title VI - B</u>	<u>Education Stabilization</u>	<u>Stimulus Title II D</u>	<u>Title III</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 195,349	\$ 364,322	\$ 476	\$ 1,052
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental	294,615	-	3,824	2,029
Prepayments.	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 489,964</u>	<u>\$ 364,322</u>	<u>\$ 4,300</u>	<u>\$ 3,081</u>
Liabilities:				
Accounts payable.	\$ 26,591	\$ -	\$ -	\$ 33
Accrued wages and benefits	-	-	-	-
Pension obligation payable.	1,680	-	-	-
Intergovernmental payable	35,248	-	-	-
Unearned revenue	-	-	-	-
Deferred revenue.	116,294	-	3,824	99
Total liabilities.	<u>179,813</u>	<u>-</u>	<u>3,824</u>	<u>132</u>
Fund balances (deficits):				
Reserved for encumbrances	2,316	7,381	-	809
Reserved for materials and supplies inventory	-	-	-	-
Reserved for tax revenue unavailable for appropriation.	-	-	-	-
Reserved for prepayments	-	-	-	-
Reserved for termination benefits	-	-	-	-
Unreserved (deficit).	307,835	356,941	476	2,140
Total fund balances (deficits)	<u>310,151</u>	<u>364,322</u>	<u>476</u>	<u>2,949</u>
Total liabilities and fund balances(deficits)	<u>\$ 489,964</u>	<u>\$ 364,322</u>	<u>\$ 4,300</u>	<u>\$ 3,081</u>

<u>Title I</u>	<u>Drug Free School Grant</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 47,386	\$ 325	\$ 4,382	\$ 13,635	\$ 6,551,853
-	-	-	-	382,743
-	-	-	-	443
35,716	-	6,070	3,309	345,563
-	-	-	-	3,389
-	-	-	-	46,661
<u>\$ 83,102</u>	<u>\$ 325</u>	<u>\$ 10,452</u>	<u>\$ 16,944</u>	<u>\$ 7,330,652</u>
\$ 880	\$ -	\$ -	\$ 15,218	\$ 93,207
-	-	-	11,119	195,428
-	-	-	4,585	144,020
6,702	-	4,400	153	48,679
-	-	-	-	329,214
30,894	-	-	-	169,454
<u>38,476</u>	<u>-</u>	<u>4,400</u>	<u>31,075</u>	<u>980,002</u>
23	245	-	48,378	144,430
-	-	-	-	46,661
-	-	-	-	35,629
-	-	-	-	3,389
-	-	-	-	300,000
44,603	80	6,052	(62,509)	5,820,541
<u>44,626</u>	<u>325</u>	<u>6,052</u>	<u>(14,131)</u>	<u>6,350,650</u>
<u>\$ 83,102</u>	<u>\$ 325</u>	<u>\$ 10,452</u>	<u>\$ 16,944</u>	<u>\$ 7,330,652</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, 2010

	<u>Food Services</u>	<u>School Trusts</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Tuition	-	-	-	28,236
Earnings on investments	2,577	-	-	-
Charges for services	2,625,572	-	-	-
Extracurricular	-	-	-	-
Classroom materials and fees.	-	-	498,254	-
Rental income.	-	-	-	-
Contributions and donations	-	10,020	-	-
Other local revenues	-	-	-	79,865
Payment in lieu of taxes	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	1,185,564	-	-	-
Total revenues	<u>3,813,713</u>	<u>10,020</u>	<u>498,254</u>	<u>108,101</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	134	390,207	1,175
Special	-	-	-	-
Other	-	-	-	10,697
Support services:				
Pupil	-	9,920	-	-
Instructional staff.	-	-	-	31,957
Administration	-	-	-	-
Fiscal.	-	-	-	-
Operations and maintenance	33,244	-	-	66
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	3,989,268	-	-	-
Other non-instructional services.	-	-	-	49,596
Extracurricular activities	-	-	100,054	1,180
Facilities acquisition and construction	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures.	<u>4,022,512</u>	<u>10,054</u>	<u>490,261</u>	<u>94,671</u>
Net change in fund balances.	(208,799)	(34)	7,993	13,430
Fund balances at beginning of year.	1,050,509	14,304	105,820	240,128
Decrease in reserve for inventory.	(42,877)	-	-	-
Fund balances (deficits) at end of year	<u>\$ 798,833</u>	<u>\$ 14,270</u>	<u>\$ 113,813</u>	<u>\$ 253,558</u>

<u>Other Local Grants</u>	<u>Facilities Maintenance</u>	<u>Termination Benefits</u>	<u>Student Activity</u>	<u>Teacher Development</u>	<u>EMIS</u>	<u>Data Communication</u>
\$ -	\$ 365,655	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
492,395	-	-	522,796	-	-	-
-	-	-	-	-	-	-
163,600	-	-	-	-	-	-
-	-	-	105,457	-	-	-
102,934	-	-	-	-	-	-
-	443	-	-	-	-	-
-	259,352	-	-	1,200	19,193	32,009
6,400	-	-	-	-	-	-
<u>765,329</u>	<u>625,450</u>	<u>-</u>	<u>628,253</u>	<u>1,200</u>	<u>19,193</u>	<u>32,009</u>
144,835	-	-	-	-	-	-
-	-	-	-	-	-	-
12,314	-	-	-	-	-	-
-	-	-	-	-	-	-
5,200	-	-	-	1,200	-	32,009
-	-	-	623	-	19,193	-
-	17,635	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,523	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
452,613	-	-	559,216	-	-	-
43	119,225	-	-	-	-	-
137,187	-	-	-	-	-	-
170,583	-	-	-	-	-	-
<u>922,775</u>	<u>136,860</u>	<u>-</u>	<u>559,839</u>	<u>1,200</u>	<u>20,716</u>	<u>32,009</u>
(157,446)	488,590	-	68,414	-	(1,523)	-
521,555	2,804,907	300,000	397,213	-	32,144	-
-	-	-	-	-	-	-
<u>\$ 364,109</u>	<u>\$ 3,293,497</u>	<u>\$ 300,000</u>	<u>\$ 465,627</u>	<u>\$ -</u>	<u>\$ 30,621</u>	<u>\$ -</u>

**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, 2010

	<u>Summer School Subsidy</u>	<u>Miscellaneous State Grants</u>	<u>Title VI - B</u>	<u>Education Stabilization</u>	<u>Stimulus Title II D</u>
Revenues:					
From local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition	-	-	-	-	-
Earnings on investments	-	-	-	-	-
Charges for services	-	-	-	-	-
Extracurricular	-	-	-	-	-
Classroom materials and fees.	-	-	-	-	-
Rental income.	-	-	-	-	-
Contributions and donations	-	-	-	-	-
Other local revenues	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Intergovernmental - state	-	(22)	-	-	-
Intergovernmental - federal	-	-	2,523,513	2,860,860	476
Total revenues	-	(22)	2,523,513	2,860,860	476
Expenditures:					
Current:					
Instruction:					
Regular	-	-	16,973	1,345,512	-
Special	-	-	1,321,573	378,115	-
Other	-	-	-	78,617	-
Support services:					
Pupil	-	-	332,256	322,362	-
Instructional staff.	-	-	437,495	306,479	-
Administration	-	-	101,534	65,453	-
Fiscal.	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services.	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Facilities acquisition and construction	-	-	9,308	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	2,219,139	2,496,538	-
Net change in fund balances.	-	(22)	304,374	364,322	476
Fund balances at beginning of year.	1,552	22	5,777	-	-
Decrease in reserve for inventory.	-	-	-	-	-
Fund balances (deficits) at end of year	\$ 1,552	\$ -	\$ 310,151	\$ 364,322	\$ 476

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365,655
-	-	-	-	-	-	28,236
-	-	-	-	-	-	2,577
-	-	-	-	-	-	2,625,572
-	-	-	-	-	-	1,015,191
-	-	-	-	-	-	498,254
-	-	-	-	-	-	163,600
-	-	-	-	-	-	115,477
-	-	-	-	-	-	182,799
-	-	-	-	-	-	443
-	-	-	-	-	-	311,732
<u>69,515</u>	<u>634,501</u>	<u>-</u>	<u>11,216</u>	<u>156,144</u>	<u>165,283</u>	<u>7,613,472</u>
<u>69,515</u>	<u>634,501</u>	<u>-</u>	<u>11,216</u>	<u>156,144</u>	<u>165,283</u>	<u>12,923,008</u>
62,859	465,613	720	1,020	146,549	83,892	2,659,489
-	-	-	-	-	-	1,699,688
-	-	-	-	-	-	101,628
-	-	-	-	-	-	664,538
750	124,542	-	726	4,484	73,084	1,017,926
-	-	-	5,545	-	-	192,348
-	-	-	-	-	-	17,635
-	-	-	3,600	-	1,000	37,910
-	-	-	-	-	12,683	12,683
-	-	-	-	-	-	1,523
-	-	-	-	-	-	3,989,268
3,449	3,988	-	-	-	16,199	73,232
-	-	-	-	-	-	1,113,063
-	-	-	-	-	-	128,576
-	-	-	-	-	-	137,187
-	-	-	-	-	-	170,583
<u>67,058</u>	<u>594,143</u>	<u>720</u>	<u>10,891</u>	<u>151,033</u>	<u>186,858</u>	<u>12,017,277</u>
2,457	40,358	(720)	325	5,111	(21,575)	905,731
492	4,268	720	-	941	7,444	5,487,796
-	-	-	-	-	-	(42,877)
<u>\$ 2,949</u>	<u>\$ 44,626</u>	<u>\$ -</u>	<u>\$ 325</u>	<u>\$ 6,052</u>	<u>\$ (14,131)</u>	<u>\$ 6,350,650</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Food Services				
Total Revenues and Other Sources	\$ 3,331,000	\$ 3,581,000	\$ 3,620,278	\$ 39,278
Total Expenditures and Other Uses	<u>3,964,460</u>	<u>3,964,460</u>	<u>3,885,416</u>	<u>79,044</u>
Net Change in Fund Balances	(633,460)	(383,460)	(265,138)	118,322
Fund Balance at Beginning of Year	1,233,108	1,233,108	1,233,108	-
Prior Year Encumbrances Appropriated	<u>64,460</u>	<u>64,460</u>	<u>64,460</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 664,108</u>	<u>\$ 914,108</u>	<u>\$ 1,032,430</u>	<u>\$ 118,322</u>
School Trusts				
Total Revenues and Other Sources	\$ 3,350	\$ 9,850	\$ 10,020	\$ 170
Total Expenditures and Other Uses	<u>8,000</u>	<u>15,500</u>	<u>10,054</u>	<u>5,446</u>
Net Change in Fund Balances	(4,650)	(5,650)	(34)	5,616
Fund Balance at Beginning of Year	<u>14,304</u>	<u>14,304</u>	<u>14,304</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,654</u>	<u>\$ 8,654</u>	<u>\$ 14,270</u>	<u>\$ 5,616</u>
Uniform School Supplies				
Total Revenues and Other Sources	\$ 458,400	\$ 490,400	\$ 498,254	\$ 7,854
Total Expenditures and Other Uses	<u>529,451</u>	<u>529,451</u>	<u>514,963</u>	<u>14,488</u>
Net Change in Fund Balances	(71,051)	(39,051)	(16,709)	22,342
Fund Balance at Beginning of Year	89,624	89,624	89,624	-
Prior Year Encumbrances Appropriated	<u>24,451</u>	<u>24,451</u>	<u>24,451</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 43,024</u>	<u>\$ 75,024</u>	<u>\$ 97,366</u>	<u>\$ 22,342</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final		
Public School Support				
Total Revenues and Other Sources	\$ 100,600	\$ 100,600	\$ 108,101	\$ 7,501
Total Expenditures and Other Uses	139,524	139,524	102,501	37,023
Net Change in Fund Balances	(38,924)	(38,924)	5,600	44,524
Fund Balance at Beginning of Year	244,538	244,538	244,538	-
Prior Year Encumbrances Appropriated	4,344	4,344	4,344	-
Fund Balance at End of Year	<u>\$ 209,958</u>	<u>\$ 209,958</u>	<u>\$ 254,482</u>	<u>\$ 44,524</u>
Other Local Grants				
Total Revenues and Other Sources	\$ 710,834	\$ 594,803	\$ 766,790	\$ 171,987
Total Expenditures and Other Uses	929,118	985,487	933,266	52,221
Net Change in Fund Balances	(218,284)	(390,684)	(166,476)	224,208
Fund Balance at Beginning of Year	366,971	366,971	366,971	-
Prior Year Encumbrances Appropriated	160,984	160,984	160,984	-
Fund Balance at End of Year	<u>\$ 309,671</u>	<u>\$ 137,271</u>	<u>\$ 361,479</u>	<u>\$ 224,208</u>
Facilities Maintenance				
Total Revenues and Other Sources	\$ 405,242	\$ 620,242	\$ 627,046	\$ 6,804
Total Expenditures and Other Uses	169,000	169,000	136,860	32,140
Net Change in Fund Balances	236,242	451,242	490,186	38,944
Fund Balance at Beginning of Year	2,767,682	2,767,682	2,767,682	-
Fund Balance at End of Year	<u>\$ 3,003,924</u>	<u>\$ 3,218,924</u>	<u>\$ 3,257,868</u>	<u>\$ 38,944</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Termination Benefits				
Total Expenditures and Other Uses	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Net Change in Fund Balances	(300,000)	(300,000)	-	300,000
Fund Balance at Beginning of Year	300,000	300,000	300,000	\$ -
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Student Activity				
Total Revenues and Other Sources	\$ 500,300	\$ 615,900	\$ 628,253	\$ 12,353
Total Expenditures and Other Uses	<u>651,853</u>	<u>651,853</u>	<u>592,996</u>	<u>58,857</u>
Net Change in Fund Balances	(151,553)	(35,953)	35,257	71,210
Fund Balance at Beginning of Year	370,437	370,437	370,437	-
Prior Year Encumbrances Appropriated	<u>47,803</u>	<u>47,803</u>	<u>47,803</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 266,687</u>	<u>\$ 382,287</u>	<u>\$ 453,497</u>	<u>\$ 71,210</u>
Teacher Development				
Total Revenues and Other Sources	\$ -	\$ 1,200	\$ 1,200	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EMIS				
Total Revenues and Other Sources	\$ 31,000	\$ 19,193	\$ 19,193	\$ -
Total Expenditures and Other Uses	<u>32,900</u>	<u>32,900</u>	<u>20,744</u>	<u>12,156</u>
Net Change in Fund Balances	(1,900)	(13,707)	(1,551)	12,156
Fund Balance at Beginning of Year	<u>32,144</u>	<u>32,144</u>	<u>32,144</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 30,244</u>	<u>\$ 18,437</u>	<u>\$ 30,593</u>	<u>\$ 12,156</u>
Entry Year Programs				
Total Revenues and Other Sources	\$ 10,000	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Data Communication				
Total Revenues and Other Sources	\$ 42,000	\$ 32,009	\$ 32,009	\$ -
Total Expenditures and Other Uses	<u>42,000</u>	<u>32,009</u>	<u>32,009</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
SchoolNet Professional Development				
Total Revenues and Other Sources	\$ 4,770	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>4,770</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Summer School Subsidy				
Fund Balance at Beginning of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Miscellaneous State Grants				
Total Revenues and Other Sources	\$ 28,000	\$ -	\$ (22)	\$ (22)
Total Expenditures and Other Uses	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(22)	(22)
Fund Balance at Beginning of Year	<u>22</u>	<u>22</u>	<u>22</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ (22)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Title VI-B				
Total Revenues and Other Sources	\$ 2,624,789	\$ 2,624,789	\$ 2,345,192	\$ (279,597)
Total Expenditures and Other Uses	<u>2,646,326</u>	<u>2,336,734</u>	<u>2,229,285</u>	<u>107,449</u>
Net Change in Fund Balances	(21,537)	288,055	115,907	(172,148)
Fund Balance at Beginning of Year	1,632	1,632	1,632	-
Prior Year Encumbrances Appropriated	<u>19,905</u>	<u>19,905</u>	<u>19,905</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 309,592</u>	<u>\$ 137,444</u>	<u>\$ (172,148)</u>
Education Stabilization Fund				
Total Revenues and Other Sources	\$ 2,885,553	\$ 2,860,860	\$ 2,860,860	\$ -
Total Expenditures and Other Uses	<u>2,526,197</u>	<u>2,503,918</u>	<u>2,503,919</u>	<u>(1)</u>
Net Change in Fund Balances	359,356	356,942	356,941	(1)
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 359,356</u>	<u>\$ 356,942</u>	<u>\$ 356,941</u>	<u>\$ (1)</u>
Stimulus Title II D				
Total Revenues and Other Sources	\$ -	\$ 4,622	\$ 476	\$ (4,146)
Total Expenditures and Other Uses	<u>-</u>	<u>4,622</u>	<u>-</u>	<u>4,622</u>
Net Change in Fund Balances	-	-	476	476
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476</u>	<u>\$ 476</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Title III				
Total Revenues and Other Sources	\$ 68,744	\$ 73,656	\$ 67,585	\$ (6,071)
Total Expenditures and Other Uses	<u>69,652</u>	<u>69,140</u>	<u>68,283</u>	<u>857</u>
Net Change in Fund Balances	(908)	4,516	(698)	(5,214)
Fund Balance at Beginning of Year	10	10	10	-
Prior Year Encumbrances Appropriated	<u>898</u>	<u>898</u>	<u>898</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 5,424</u>	<u>\$ 210</u>	<u>\$ (5,214)</u>
Title I				
Total Revenues and Other Sources	\$ 747,883	\$ 729,685	\$ 630,755	\$ (98,930)
Total Expenditures and Other Uses	<u>731,718</u>	<u>685,287</u>	<u>598,120</u>	<u>87,167</u>
Net Change in Fund Balances	16,165	44,398	32,635	(11,763)
Fund Balance at Beginning of Year	3,688	3,688	3,688	-
Prior Year Encumbrances Appropriated	<u>3,522</u>	<u>3,522</u>	<u>3,522</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 23,375</u>	<u>\$ 51,608</u>	<u>\$ 39,845</u>	<u>\$ (11,763)</u>
Title VI				
Total Revenues and Other Sources	\$ -	\$ 4,450	\$ 4,450	\$ -
Total Expenditures and Other Uses	<u>720</u>	<u>5,170</u>	<u>5,170</u>	<u>-</u>
Net Change in Fund Balances	(720)	(720)	(720)	-
Fund Balance at Beginning of Year	<u>720</u>	<u>720</u>	<u>720</u>	<u>-</u>
Fund Balance at End of Year	<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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Drug Free School Grant				
Total Revenues and Other Sources	\$ 24,006	\$ 24,035	\$ 11,216	\$ (12,819)
Total Expenditures and Other Uses	<u>24,006</u>	<u>24,006</u>	<u>11,136</u>	<u>12,870</u>
Net Change in Fund Balances	-	29	80	51
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 29</u></u>	<u><u>\$ 80</u></u>	<u><u>\$ 51</u></u>
Title VI - R				
Total Revenues and Other Sources	\$ 158,048	\$ 157,559	\$ 150,074	\$ (7,485)
Total Expenditures and Other Uses	<u>158,048</u>	<u>151,033</u>	<u>151,033</u>	<u>-</u>
Net Change in Fund Balances	-	6,526	(959)	(7,485)
Fund Balance at Beginning of Year	<u>941</u>	<u>941</u>	<u>941</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 941</u></u>	<u><u>\$ 7,467</u></u>	<u><u>\$ (18)</u></u>	<u><u>\$ (7,485)</u></u>
Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ 249,300	\$ 245,536	\$ 161,974	\$ (83,562)
Total Expenditures and Other Uses	<u>258,723</u>	<u>254,957</u>	<u>221,358</u>	<u>33,599</u>
Net Change in Fund Balances	(9,423)	(9,421)	(59,384)	(49,963)
Fund Balance at Beginning of Year	2,177	2,177	2,177	-
Prior Year Encumbrances Appropriated	<u>7,246</u>	<u>7,246</u>	<u>7,246</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ (49,961)</u></u>	<u><u>\$ (49,963)</u></u>

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

Nonmajor Debt Service Fund

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

Library Debt Service 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.

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

**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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Library Debt Service				
Total Revenues and Other Sources	\$ 165,281	\$ 165,281	\$ 170,263	\$ 4,982
Total Expenditures and Other Uses	<u>182,000</u>	<u>182,000</u>	<u>181,729</u>	<u>271</u>
Net Change in Fund Balances	(16,719)	(16,719)	(11,466)	5,253
Fund Balance at Beginning of Year	<u>387,985</u>	<u>387,985</u>	<u>387,985</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 371,266</u>	<u>\$ 371,266</u>	<u>\$ 376,519</u>	<u>\$ 5,253</u>

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

Nonmajor Capital Projects Fund

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 fund is:

Permanent Improvement Fund

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

Building Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Project Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 941,370	\$ 5,589,778	\$ 6,531,148
Cash in segregated accounts.	-	84,124	84,124
Receivables:			
Payment in lieu of taxes	30,942	-	30,942
Total assets.	<u>\$ 972,312</u>	<u>\$ 5,673,902</u>	<u>\$ 6,646,214</u>
Liabilities:			
Contracts payable.	\$ 6,203	\$ 16,190	\$ 22,393
Retainage payable		84,124	84,124
Unearned revenue	30,942	-	30,942
Total liabilities.	<u>37,145</u>	<u>100,314</u>	<u>137,459</u>
Fund balances:			
Reserved for encumbrances	118,425	3,016,826	3,135,251
Unreserved	816,742	2,556,762	3,373,504
Total fund balances	<u>935,167</u>	<u>5,573,588</u>	<u>6,508,755</u>
Total liabilities and fund balances.	<u>\$ 972,312</u>	<u>\$ 5,673,902</u>	<u>\$ 6,646,214</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:			
From local sources:			
Earnings on investments	\$ 120	\$ 7,275	\$ 7,395
Rental income.	33,600	-	33,600
Other local revenues	27,778	94,354	122,132
Payment in lieu of taxes	30,942	-	30,942
Total revenues	<u>92,440</u>	<u>101,629</u>	<u>194,069</u>
Expenditures:			
Current:			
Support services:			
Instructional staff.	2,970	-	2,970
Operations and maintenance	(119)	-	(119)
Facilities acquisition and construction	<u>1,787,185</u>	<u>2,736,053</u>	<u>4,523,238</u>
Total expenditures.	<u>1,790,036</u>	<u>2,736,053</u>	<u>4,526,089</u>
Excess of expenditures over revenues	<u>(1,697,596)</u>	<u>(2,634,424)</u>	<u>(4,332,020)</u>
Other financing sources (uses):			
Transfers in.	2,000,000	-	2,000,000
Transfers (out)	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>2,000,000</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balances	302,404	(4,634,424)	(4,332,020)
Fund balances at beginning of year.	<u>632,763</u>	<u>10,208,012</u>	<u>10,840,775</u>
Fund balances at end of year	<u>\$ 935,167</u>	<u>\$ 5,573,588</u>	<u>\$ 6,508,755</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total Revenues and Other Sources	\$ 87,016	\$ 2,097,274	\$ 2,098,578	\$ 1,304
Total Expenditures and Other Uses	<u>620,722</u>	<u>2,295,071</u>	<u>1,914,174</u>	<u>380,897</u>
Net Change in Fund Balances	(533,706)	(197,797)	184,404	382,201
Fund Balance at Beginning of Year	402,041	402,041	402,041	-
Prior Year Encumbrances Appropriated	<u>230,722</u>	<u>230,722</u>	<u>230,722</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 99,057</u>	<u>\$ 434,966</u>	<u>\$ 817,167</u>	<u>\$ 382,201</u>
Building				
Total Revenues and Other Sources	\$ 1,650,000	\$ 1,780,000	\$ 1,782,381	\$ 2,381
Total Expenditures and Other Uses	<u>14,173,890</u>	<u>14,173,890</u>	<u>11,750,295</u>	<u>2,423,595</u>
Net Change in Fund Balances	(12,523,890)	(12,393,890)	(9,967,914)	2,425,976
Fund Balance at Beginning of Year	4,605,786	4,605,786	4,605,786	-
Prior Year Encumbrances Appropriated	<u>7,918,890</u>	<u>7,918,890</u>	<u>7,918,890</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 786</u>	<u>\$ 130,786</u>	<u>\$ 2,556,762</u>	<u>\$ 2,425,976</u>

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

Fiduciary 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.

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**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Additions	Deletions	Ending Balance June 30, 2010
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 53,330	\$ 158,120	\$ 195,330	\$ 16,120
Total assets	<u>\$ 53,330</u>	<u>\$ 158,120</u>	<u>\$ 195,330</u>	<u>\$ 16,120</u>
Liabilities:				
Deposits held and due to others	\$ 53,330	\$ 158,120	\$ 195,330	\$ 16,120
Total liabilities.	<u>\$ 53,330</u>	<u>\$ 158,120</u>	<u>\$ 195,330</u>	<u>\$ 16,120</u>
Student Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 161,755	\$ 334,412	\$ 288,679	\$ 207,488
Total assets	<u>\$ 161,755</u>	<u>\$ 334,412</u>	<u>\$ 288,679</u>	<u>\$ 207,488</u>
Liabilities:				
Accounts payable	\$ 22,303	\$ 47,661	\$ 22,303	\$ 47,661
Due to students	139,452	286,751	266,376	159,827
Total liabilities.	<u>\$ 161,755</u>	<u>\$ 334,412</u>	<u>\$ 288,679</u>	<u>\$ 207,488</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 215,085	\$ 492,532	\$ 484,009	\$ 223,608
Total assets	<u>\$ 215,085</u>	<u>\$ 492,532</u>	<u>\$ 484,009</u>	<u>\$ 223,608</u>
Liabilities:				
Accounts payable	\$ 22,303	\$ 47,661	\$ 22,303	\$ 47,661
Deposits held and due to others	53,330	158,120	195,330	16,120
Due to students	139,452	286,751	266,376	159,827
Total liabilities.	<u>\$ 215,085</u>	<u>\$ 492,532</u>	<u>\$ 484,009</u>	<u>\$ 223,608</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
District Agency				
Total Revenues and Other Sources	\$ 76,000	\$ 185,000	\$ 158,120	\$ (26,880)
Total Expenditures and Other Uses	<u>94,000</u>	<u>238,000</u>	<u>195,330</u>	<u>42,670</u>
Net Change in Fund Balances	(18,000)	(53,000)	(37,210)	15,790
Fund Balance at Beginning of Year	<u>53,330</u>	<u>53,330</u>	<u>53,330</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 35,330</u>	<u>\$ 330</u>	<u>\$ 16,120</u>	<u>\$ 15,790</u>
Student Activity				
Total Revenues and Other Sources	\$ 312,885	\$ 327,885	\$ 334,412	\$ 6,527
Total Expenditures and Other Uses	<u>356,074</u>	<u>356,074</u>	<u>334,504</u>	<u>21,570</u>
Net Change in Fund Balances	(43,189)	(28,189)	(92)	28,097
Fund Balance at Beginning of Year	153,011	153,011	153,011	-
Prior Year Encumbrances Appropriated	<u>8,744</u>	<u>8,744</u>	<u>8,744</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 118,566</u>	<u>\$ 133,566</u>	<u>\$ 161,663</u>	<u>\$ 28,097</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S 2-15
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S 16-21
Debt Capacity 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.	S 22-25
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S 26-27
Operating Information 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.	S 28-34

Sources: 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.

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 8,748,029	\$ 8,765,183	\$ 7,887,455	\$ 7,639,245
Restricted	79,798,417	78,804,109	23,739,089	18,391,211
Unrestricted (deficit)	(16,176,349)	(5,250,879)	(4,668,772)	(2,730,099)
Total governmental activities net assets	<u>\$ 72,370,097</u>	<u>\$ 82,318,413</u>	<u>\$ 26,957,772</u>	<u>\$ 23,300,357</u>

Source: School District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 5,680,217	\$ 6,170,204	\$ 9,556,777	\$ 25,058,656
16,510,606	15,221,567	14,428,173	18,535,804
(3,513,717)	(2,973,644)	(6,315,089)	(29,321,045)
\$ 18,677,106	\$ 18,418,127	\$ 17,669,861	\$ 14,273,415

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

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

Expenses	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:				
Instruction:				
Regular	\$ 55,599,841	\$ 49,069,735	\$ 47,880,000	\$ 45,562,366
Special	8,960,949	7,847,020	7,249,632	6,782,936
Vocational	1,114,525	1,115,837	1,098,881	1,074,249
Adult/continuing	-	-	-	-
Other instructional	3,055,912	2,824,261	2,413,847	2,217,708
Support services:				
Pupil	5,150,296	4,669,725	4,422,909	4,196,561
Instructional staff	7,571,863	6,755,547	5,837,143	5,741,358
Board of education	575,199	528,045	522,851	455,248
Administration	8,822,490	7,916,045	7,476,862	7,273,966
Fiscal	1,744,987	1,718,035	1,789,425	1,571,452
Business	578,191	624,827	44,051	185,988
Operations and maintenance	9,740,418	9,375,277	9,267,414	8,238,497
Pupil transportation	5,966,014	5,034,148	5,701,343	5,286,583
Central	171,148	176,045	162,150	50,333
Operation of non-instructional services:				
Food service operations	4,379,685	4,134,640	3,635,100	3,224,778
Other non-instructional services	73,232	72,379	65,316	124,132
Extracurricular activities	3,135,454	2,799,921	2,772,116	2,503,424
Interest and fiscal charges	8,540,803	8,870,980	8,899,230	7,157,888
Total governmental activities expenses	<u>125,181,007</u>	<u>113,532,467</u>	<u>109,238,270</u>	<u>101,647,467</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	42,690,019	\$ 40,326,102	\$ 36,117,943	\$ 31,464,300
	5,977,721	5,423,614	4,865,195	4,514,787
	1,034,985	890,084	761,653	932,546
	-	10,895	-	-
	1,796,253	1,581,660	1,122,608	751,589
	4,036,154	3,942,233	3,456,789	3,050,125
	4,983,317	4,413,385	3,645,626	3,136,588
	501,735	404,032	478,447	323,952
	7,037,059	6,322,386	6,006,765	5,500,019
	1,499,551	1,386,034	1,304,606	1,217,117
	175,317	192,496	167,919	167,914
	9,428,349	9,238,371	6,589,807	5,422,028
	4,501,482	3,998,024	3,832,851	3,973,490
	74,200	87,250	81,744	135,761
	3,420,780	3,068,309	2,835,474	2,156,397
	86,613	84,897	9,937	49,058
	2,577,848	2,557,801	2,137,629	1,780,961
	5,477,377	6,422,079	6,504,277	6,546,476
	<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 EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2010	2009	2008	2007
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 860,381	\$ 901,498	\$ 801,384	\$ 749,201
Special	106,344	108,657	91,572	3,103
Vocational	-	139	187	-
Other instructional	10,697	5,022	6,031	-
Support services:				
Instructional staff	31,957	15,959	89,088	29,505
Board of education	-	-	-	-
Administration	-	885	282	1,567
Operations and maintenance	54,363	-	82,536	80,485
Pupil transportation	-	91,567	-	-
Operation of non-instructional services:				
Food service operations	2,625,572	2,568,292	2,458,391	2,321,306
Other non-instructional services	63,026	-	75,782	-
Extracurricular activities	1,116,425	1,200,698	972,586	951,885
Interest and fiscal charges	-	-	-	140,458
Operating grants and contributions:				
Instruction:				
Regular	2,564,164	542,764	591,395	529,021
Special	2,120,356	3,943,115	3,219,492	3,005,521
Vocational	160,257	164,317	147,101	159,709
Other instructional	78,617	6,514	-	-
Support services:				
Pupil	664,504	607,168	513,983	580,490
Instructional staff	980,809	575,271	403,977	389,625
Board of education	-	-	-	-
Administration	192,050	167,290	116,717	135,547
Fiscal	-	-	32,306	32,728
Operations and maintenance	4,600	21,308	1,075	12,722
Pupil transportation	232,614	221,562	200,395	223,805
Central	-	1,690	3,134	796
Operation of non-instructional services:				
Food service operations	1,188,141	1,011,157	900,180	758,837
Other non-instructional services	23,636	51,795	8,660	113,868
Extracurricular activities	208,391	163,631	159,950	153,398
Capital grants and contributions:				
Support services:				
Instructional staff	-	-	-	-
Pupil transportation	-	82,369	44,517	64,544
Extracurricular activities	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total governmental program revenues	13,286,904	12,452,668	10,920,721	10,438,121
Net (Expense)/Revenue				
Governmental activities	\$ (111,894,103)	\$ (101,079,799)	\$ (98,317,549)	\$ (91,209,346)

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 805,693	\$ 784,692	\$ 763,229	\$ 580,891
-	-	-	-
-	-	-	-
-	-	-	-
53,191	93,499	80,821	138,370
770	1,393	1,393	-
2,040	-	266	-
94,134	78,501	205,042	13,715
-	-	-	10,973
2,259,423	2,173,639	1,744,919	1,509,232
45,858	30,390	5,094	39,257
757,652	770,200	604,272	331,112
-	-	-	-
422,001	515,057	713,667	364,483
486,464	532,541	301,038	239,957
-	878	-	-
-	-	-	23,507
460,779	621,677	386,820	245,934
363,616	280,000	257,010	101,573
498	-	1,708	-
110,252	78,249	65,310	21,395
7,997	-	-	-
108,387	39,279	-	-
175,849	3,437	-	-
18,670	25,511	33,550	66,873
836,266	672,054	579,381	473,446
46,135	42,546	300	-
264,253	113,753	367,534	61,684
91,776	69,720	-	-
-	-	-	-
-	-	-	38,810
-	-	-	4,702
<u>7,411,704</u>	<u>6,927,016</u>	<u>6,111,354</u>	<u>4,265,914</u>
<u>\$ (87,887,056)</u>	<u>\$ (83,422,636)</u>	<u>\$ (73,807,916)</u>	<u>\$ (66,857,194)</u>

- (Continued)

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

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

General Revenues and Other Changes in Net Assets

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 27,409,960	\$ 28,346,890	\$ 27,592,489	\$ 25,849,872
Special revenue	359,894	370,320	367,422	362,940
Debt service	12,690,376	13,086,748	13,032,040	11,451,584
Capital projects	-	-	-	-
School district income tax	12,328,783	12,707,691	12,722,150	12,303,735
Grants and entitlements not restricted to specific programs	48,622,410	47,962,247	44,083,762	42,499,856
Grants and entitlements restricted for Ohio School Facilities Commission	-	52,387,820	-	-
Investment earnings	311,036	1,438,880	3,798,530	3,171,236
Payment in lieu of taxes	93,764	93,577	-	-
Miscellaneous	129,564	46,267	378,571	114,942
Total governmental activities	<u>101,945,787</u>	<u>156,440,440</u>	<u>101,974,964</u>	<u>95,754,165</u>
Special Item:				
Refund from OME-RESA	-	-	-	78,432
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,432</u>
Total primary government	<u>\$ 101,945,787</u>	<u>\$ 156,440,440</u>	<u>\$ 101,974,964</u>	<u>\$ 95,832,597</u>
Change in Net Assets				
Governmental activities	<u>\$ (9,948,316)</u>	<u>\$ 55,360,641</u>	<u>\$ 3,657,415</u>	<u>\$ 4,623,251</u>

Source: School District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 23,527,946	\$ 24,291,458	\$ 21,207,490	\$ 14,843,852
330,505	342,193	346,312	274,717
8,315,839	8,815,701	8,274,592	7,158,273
-	4	61	152
10,830,531	10,232,657	9,406,873	8,989,604
43,661,527	40,865,256	37,671,696	32,714,517
-	-	-	-
1,370,041	786,837	290,056	767,772
-	-	-	-
109,646	4,493	7,282	68,141
<u>88,146,035</u>	<u>85,338,599</u>	<u>77,204,362</u>	<u>64,817,028</u>
-	-	-	-
-	-	-	-
<u>\$ 88,146,035</u>	<u>\$ 85,338,599</u>	<u>\$ 77,204,362</u>	<u>\$ 64,817,028</u>
<u>\$ 258,979</u>	<u>\$ 1,915,963</u>	<u>\$ 3,396,446</u>	<u>\$ (2,040,166)</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:				
Reserved	\$ 3,727,023	\$ 4,482,583	\$ 4,040,380	\$ 5,752,961
Unreserved	2,458,979	7,991,343	7,584,023	4,447,162
Total general fund	<u>\$ 6,186,002</u>	<u>\$ 12,473,926</u>	<u>\$ 11,624,403</u>	<u>\$ 10,200,123</u>
All Other Governmental Funds:				
Reserved	\$ 21,517,418	\$ 22,637,462	\$ 48,142,449	\$ 20,186,286
Unreserved (deficit), reported in:				
Special revenue funds	5,820,541	4,817,266	4,909,347	4,260,742
Capital projects funds	10,962,492	5,153,568	12,362,602	53,492,285
Total all other governmental funds	<u>38,300,451</u>	<u>32,608,296</u>	<u>65,414,398</u>	<u>77,939,313</u>
Total governmental funds	<u>\$ 44,486,453</u>	<u>\$ 45,082,222</u>	<u>\$ 77,038,801</u>	<u>\$ 88,139,436</u>

Source: School District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 6,619,476	\$ 5,319,738	\$ 4,037,297	\$ 3,905,777	\$ 1,689,532	\$ 1,138,261
<u>2,390,422</u>	<u>3,125,916</u>	<u>1,851,878</u>	<u>420,002</u>	<u>1,585,761</u>	<u>1,224,336</u>
<u>\$ 9,009,898</u>	<u>\$ 8,445,654</u>	<u>\$ 5,889,175</u>	<u>\$ 4,325,779</u>	<u>\$ 3,275,293</u>	<u>\$ 2,362,597</u>
\$ 12,800,490	\$ 11,665,682	\$ 9,908,916	\$ 15,150,607	\$ 46,697,117	\$ 13,130,158
3,790,669	3,209,491	2,648,206	3,091,503	866,622	634,973
<u>448,780</u>	<u>1,238,254</u>	<u>2,700,849</u>	<u>1,134,334</u>	<u>7,783,869</u>	<u>(6,146,576)</u>
<u>17,039,939</u>	<u>16,113,427</u>	<u>15,257,971</u>	<u>19,376,444</u>	<u>55,347,608</u>	<u>7,618,555</u>
<u>\$ 26,049,837</u>	<u>\$ 24,559,081</u>	<u>\$ 21,147,146</u>	<u>\$ 23,702,223</u>	<u>\$ 58,622,901</u>	<u>\$ 9,981,152</u>

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
From local sources:				
Property taxes	\$ 41,103,153	\$ 41,292,565	\$ 41,374,565	\$ 36,574,014
Income taxes	12,328,783	12,707,691	12,722,150	12,303,735
Tuition	431,780	462,861	502,651	364,682
Charges for services	2,625,572	2,568,292	2,458,391	2,321,306
Earnings on investments	379,180	1,549,097	4,248,136	2,774,353
Classroom materials and fees	498,254	479,304	471,680	471,038
Extracurricular	1,015,191	987,737	990,206	924,704
Rental income	212,066	392,681	28,800	140,458
Contributions and donations	115,477	109,700	-	-
Services provided to other entities	-	51,244	-	-
Other local revenues	315,056	228,291	682,034	442,059
Payment in lieu of taxes	93,764	-	-	-
Intergovernmental - state	59,931,199	51,990,846	47,605,837	45,708,793
Intergovernmental - federal	7,685,262	3,236,286	3,088,903	2,541,278
Total revenues	<u>126,734,737</u>	<u>116,056,595</u>	<u>114,173,353</u>	<u>104,566,420</u>
Expenditures				
Current:				
Instruction:				
Regular	46,539,027	45,788,488	44,385,494	42,491,231
Special	8,774,522	7,672,561	7,085,188	6,630,911
Vocational	1,080,428	1,099,164	1,107,582	1,051,999
Adult/Continuing	-	-	-	-
Other	3,049,232	2,817,581	2,404,790	2,216,745
Current:				
Pupil	4,976,200	4,467,457	4,323,183	4,100,926
Instructional staff	7,416,364	6,481,033	5,602,688	5,477,664
Board of education	569,839	522,685	517,491	449,888
Administration	8,668,252	7,899,344	7,548,391	7,319,310
Fiscal	1,736,225	1,721,471	1,798,451	1,570,047
Business	572,732	618,494	85,315	186,834
Operations and maintenance	9,340,562	8,764,331	8,316,116	7,470,768
Pupil transportation	6,247,484	4,979,336	5,516,101	5,346,721
Central	165,243	171,022	162,150	83,733
Operation of non-instructional services:				
Food service operations	3,989,268	3,621,376	3,256,499	2,755,163
Community	-	-	-	-
Other non-instructional services	73,232	72,379	65,316	124,132
Extracurricular activities	2,975,439	2,631,807	2,612,138	2,347,040
Facilities acquisitions and construction	6,838,942	34,760,364	16,959,574	4,931,875
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	8,532,187	7,962,219	7,445,000	5,655,780
Interest and fiscal charges	5,742,451	5,928,532	6,077,208	4,427,777
Bond issuance costs	-	-	-	460,097
Total expenditures	<u>127,287,629</u>	<u>147,979,644</u>	<u>125,268,675</u>	<u>105,098,641</u>
Excess (deficiency) of revenues over (under) expenditures	(552,892)	(31,923,049)	(11,095,322)	(532,221)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	32,106,102	\$ 33,010,092	\$ 29,823,568	\$ 22,493,344	\$ 22,632,467	\$ 19,135,891
	10,830,531	10,232,657	9,406,873	8,989,604	8,842,123	8,910,517
	385,844	286,220	280,210	281,903	275,790	253,075
	2,259,423	2,173,639	1,744,919	1,509,232	-	-
	1,277,723	714,940	263,681	851,930	2,665,255	2,066,816
	423,830	467,455	434,711	-	-	-
	870,861	805,804	738,964	403,769	343,384	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	576,289	408,438	753,963	661,944	458,118	780,527
	-	-	-	-	-	-
	43,900,733	41,317,653	37,972,112	32,868,901	30,047,759	24,540,717
	2,389,178	2,358,521	1,875,694	1,121,509	658,622	425,510
	<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>	<u>56,113,053</u>
	39,459,304	36,981,507	33,883,467	29,885,280	27,825,148	24,432,681
	5,836,223	5,225,258	4,771,884	4,402,242	3,896,805	3,321,682
	1,036,313	868,236	742,302	911,222	685,353	619,573
	-	10,895	-	-	-	-
	1,796,253	1,581,660	1,122,608	751,589	462,497	424,413
	3,946,185	3,802,951	3,315,532	3,006,873	2,671,523	2,894,093
	4,687,075	4,156,800	3,471,141	2,987,758	2,674,469	2,669,420
	496,375	398,672	478,384	323,829	302,597	230,393
	6,900,352	6,238,029	5,942,396	5,441,042	5,272,419	4,712,817
	1,495,489	1,380,806	1,301,959	1,214,685	1,057,341	1,124,105
	173,830	190,505	164,063	165,776	158,585	132,791
	7,729,018	7,369,327	6,391,724	4,970,984	5,550,975	4,692,719
	4,596,388	4,335,936	3,953,340	3,966,632	3,671,591	3,322,690
	74,200	87,250	81,416	143,673	200,914	165,516
	2,973,652	2,618,111	2,481,291	1,796,314	-	-
	-	-	-	-	36,495	32,249
	86,613	84,897	43,482	37,921	-	-
	2,440,691	2,417,915	2,094,169	1,736,961	1,462,045	1,219,352
	2,237,784	2,180,142	8,024,168	35,269,073	30,524,600	9,567,434
	-	-	-	155,787	-	-
	4,015,000	3,286,383	2,610,594	2,508,810	2,563,857	3,002,216
	3,561,879	4,760,403	4,996,240	5,268,402	5,772,127	2,475,747
	524,754	-	207,633	50,378	-	-
	<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>	<u>65,039,891</u>
	953,136	3,799,736	(2,783,098)	(35,813,095)	(28,865,823)	(8,926,838)

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

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Other Financing Sources (Uses)				
Transfers in	\$ 2,000,000	\$ -	\$ -	\$ -
Transfers (out)	(2,000,000)	-	-	-
Accrued interest on refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	1,211,944
Sale of capital assets	-	162	-	-
Issuance of refunding bonds	-	-	-	59,900,000
Retirement of refunding bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Capital lease transaction	-	-	-	-
Lease purchase transaction	-	-	-	1,432,601
Total other financing sources	<u>-</u>	<u>162</u>	<u>-</u>	<u>62,544,545</u>
Special Item				
Refund from OME-RESA				
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,432</u>
Net change in fund balances	<u>\$ (552,892)</u>	<u>\$ (31,922,887)</u>	<u>\$ (11,095,322)</u>	<u>\$ 62,090,756</u>
Capital expenditures	\$ 3,787,618	\$ 34,603,839	\$ 16,471,688	\$ 4,579,641
Debt service as a percentage of noncapital expenditures	11.56%	12.25%	12.43%	10.49%

Source: School District financial records.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 665,886	\$ 333,000	\$ 2,627,993	\$ 3,936,317	\$ 2,816,302	\$ 1,686,796
(665,886)	(333,000)	(2,627,993)	(3,936,317)	(2,856,857)	(1,691,155)
-	-	30,368	1,998	57,525	-
3,459,639	-	635,281	87,978	-	-
-	-	-	401	248	5,400
67,779,907	-	13,914,992	1,880,000	77,500,000	-
-	-	-	(1,880,000)	-	-
(70,714,793)	-	(14,342,639)	-	-	-
-	-	-	155,787	-	-
-	-	-	-	-	-
<u>524,753</u>	<u>-</u>	<u>238,002</u>	<u>246,164</u>	<u>77,517,218</u>	<u>1,041</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>	<u>\$ (8,925,797)</u>
\$ 962,556	\$ 801,243	\$ 8,223,678	\$ 35,093,892	\$ 38,681,228	\$ 7,309,715
8.70%	9.23%	10.04%	11.20%	14.86%	9.49%

**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
2009	\$ 1,142,219,960	\$ 3,263,485,600	\$ 851,030	\$ 3,404,120	\$ 13,415,950	\$ 38,331,286
2008	1,122,774,350	3,207,926,714	5,172,720	20,690,880	12,697,600	36,278,857
2007	1,122,831,790	3,208,090,829	4,844,002	19,376,008	12,640,160	36,114,743
2006	1,020,662,560	2,916,178,743	6,205,133	24,820,532	14,706,530	42,018,657
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

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%.

		Total		
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%	
\$ 80.25	\$ 1,156,486,940	\$ 3,305,221,006	34.99%	
79.70	1,140,644,670	3,264,896,451	34.94%	
80.20	1,140,315,952	3,263,581,579	34.94%	
80.60	1,041,574,223	2,983,017,932	34.92%	
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%	

**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				
2009/2010	\$ 18.02	\$ 7.55	\$ 7.80	\$ 0.70	\$ 2.90	62.20	12.90	0.50	-	4.50	80.10		
2008/2009	18.02	7.55	7.80	0.70	2.90	62.20	12.50	0.50	-	4.50	79.70		
2007/2008	18.49	7.55	7.80	0.70	2.90	62.20	13.00	0.50	-	4.50	80.20		
2006/2007	17.79	7.55	7.80	0.70	2.90	62.20	13.40	0.50	-	4.50	80.60		
2005/2006	18.44	7.55	7.80	0.70	2.90	62.20	9.70	0.50	-	4.50	76.90		
2004/2005	18.44	7.55	7.80	0.70	2.90	62.20	10.10	0.50	-	4.50	77.30		
2003/2004	18.44	7.55	7.80	0.70	2.90	62.20	10.50	0.50	-	4.50	77.70		
2002/2003	17.64	7.05	7.80	0.70	2.90	54.30	10.50	0.50	-	4.50	69.80		
2001/2002	17.64	7.05	7.80	0.70	2.90	54.30	10.50	0.50	-	4.50	69.80		
2000/2001	17.64	7.05	7.80	0.76	2.90	54.30	10.50	0.50	-	4.50	69.80		

Source: Fairfield County and Franklin County Auditor's Offices

Madison Township	Madison Township - City of Pickerington	Violet Township	Violet City of Pickerington/ Reynoldsburg	Liberty Township	School District Public Library	Eastland Joint Vocational School	Tax Year/ Collection Year
21.80	21.20	14.05	12.35	11.57	0.90	2.00	2009/2010
21.80	21.20	14.05	12.35	11.57	0.15	2.00	2008/2009
21.80	21.20	13.85	12.15	11.57	0.15	2.00	2007/2008
21.80	21.20	12.85	12.15	11.57	0.15	2.00	2006/2007
21.80	21.20	13.83	12.15	11.57	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

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2009 AND DECEMBER 31, 2003

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Anyi Apartments LLC	\$ 8,120,010	1	0.70%
Target Corporation	6,413,890	2	0.55%
Pickerington Apartments LLC	6,232,070	3	0.54%
South Central Power Company	5,737,340	4	0.50%
Regency Centers LP	5,583,700	5	0.48%
Lakes Edge	5,057,920	6	0.44%
Creekside I Acquisition LLC	5,041,730	7	0.44%
B & G Realty Inc	4,517,800	8	0.39%
OH Retail II LL LLC	4,295,640	9	0.37%
Pickerington Square LP	4,102,440	10	0.35%
Total	<u>\$ 55,102,540</u>		<u>\$ 1,156,486,940</u>

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Brentwood Lake, Inc.	\$ 7,568,750	1	0.91%
NOCA Apartments One Limited	5,436,030	2	0.65%
AERC Turnbury Inc.	4,025,000	3	0.48%
Regency Centers LP	3,972,080	4	0.48%
Lakes Edge Partnership	3,932,590	5	0.47%
South Central Power Company	3,712,270	6	0.45%
Brooksedge at Tussing, Inc.	3,485,000	7	0.42%
Interstate Limited Partnership	3,380,790	8	0.41%
Dominion Homes, Inc.	2,717,440	9	0.33%
Centex Homes	2,673,870	10	0.32%
Total	<u>\$ 40,903,820</u>		<u>830,797,067</u>

Source: Fairfield County Auditor's Office

Note: Information on principal property tax payers prior to December 31, 2003 was unavailable.

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
2009/2010	\$ 45,892,289	\$ 44,294,246	96.52%	\$ 1,265,356	\$ 45,559,602	99.28%
2008/2009	\$ 45,497,947	\$ 43,960,111	96.62%	\$ 1,404,352	\$ 45,364,463	99.71%
2007/2008	42,910,126	41,355,774	96.38%	1,140,168	42,495,942	99.03%
2006/2007	42,652,185	40,545,738	95.06%	1,127,694	41,673,432	97.71%
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%

Source: Fairfield County Auditor's Office

Note: Property tax levies and collections for the tax year/collection year 2008/2009 was not available.

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(a) Total Primary Government	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	Capital Leases			
2010	\$ 161,845,660	\$ 1,172,415	\$ 163,018,075	\$ 11,069	\$ 15,449
2009	167,360,747	1,309,602	168,670,349	11,536	16,217
2008	172,276,266	1,371,821	173,648,087	11,996	17,018
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

Sources:

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

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

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

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

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2010	\$ 161,845,660	\$ 161,845,660	4.90%	\$ 10,989
2009	167,360,747	167,360,747	5.13%	11,447
2008	172,276,266	172,276,266	5.28%	11,901
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

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, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 144,911,788	100.00%	\$ 144,911,788
			<u>144,911,788</u>
Overlapping debt:			
Fairfield County	9,177,500	34.67%	3,181,839
Franklin County	255,320,000	0.05%	127,660
City of Columbus	373,257,136	0.92%	3,433,966
City of Pickerington	5,745,500	99.87%	5,738,031
City of Reynoldsburg	1,826,000	3.41%	62,267
Madison Township	786,225	0.39%	3,066
Violet Township	2,710,000	94.81%	2,569,351
Solid Waste Authority of Central Ohio-Miscellaneous	-	0.60%	-
Eastland-Fairfield Career & Technical JVS District	450,000	15.02%	67,590
			<u>15,183,770</u>
Total direct and overlapping debt	<u>\$ 794,184,149</u>		<u>\$ 160,095,558</u>

Source: Ohio Municipal Advisory Council

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (a)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 104,007,232	\$ 144,911,786	\$ 16,532,873	\$ 128,378,913	\$ (24,371,681)	123.43%
2009	102,653,563	151,585,255	16,163,075	135,422,180	(32,768,617)	131.92%
2008	102,175,834	157,879,129	15,114,548	142,764,581	(40,588,747)	139.72%
2007	92,933,023	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%

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>Total Personal Income</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
						<u>Fairfield County</u>	<u>Ohio</u>	<u>United States</u>
2010	14,728	\$ 25,839	\$ 380,556,792	32.7	10,552	9.5%	10.4%	9.6%
2009	14,621	25,839	377,792,019	32.7	10,401	9.1%	11.1%	9.5%
2008	14,476	25,839	374,045,364	32.7	10,204	5.0%	6.7%	5.7%
2007	14,220	25,839	367,430,580	32.7	10,016	4.8%	5.5%	4.7%
2006	13,573	25,839	350,712,747	32.7	9,723	5.2%	5.9%	5.1%
2005	13,063	25,839	337,534,857	32.7	9,233	5.4%	6.2%	5.5%
2004	12,159	25,839	314,176,401	32.7	8,866	5.3%	5.7%	5.1%
2003	11,259	25,839	290,921,301	32.7	8,387	5.1%	5.5%	5.7%
2002	10,452	25,839	270,069,228	32.7	7,935	3.5%	5.3%	6.0%
2001	10,171	25,839	262,808,469	32.7	7,548	3.3%	4.8%	5.8%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

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

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

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	December 31, 2009		
	Employees	Rank	Percentage of Total City Employment
Pickerington Local School District	1,247	1	15.11%
Tamarkin Company, Inc.	279	2	3.38%
Cracker Barrel Restaurant	276	3	3.34%
Kohl's Department Stores	270	4	3.27%
Kroger Company, Inc.	260	5	3.15%
Kindred Nursing Center	188	6	2.28%
City of Pickerington	146	7	1.77%
Wendy's	134	8	1.62%
Max & Erma's Restaurants, Inc.	121	9	1.47%
Marcus Cinemas of Ohio, LLC.	109	10	1.32%
Total	<u>3,030</u>		<u>36.71%</u>
Total Employment within the City	<u>8,253</u>		

Employer	December 31, 2000	
	Employees	Rank
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
Total	<u>2,534</u>	
Total Employment within the City	<u>n/a</u>	

Source: City of Pickerington CAFR

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

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

<u>Type</u>	<u>2010 (3)</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006 (1)</u>	<u>2005 (1)</u>	<u>2004 (2)</u>
Office - administrative	41.60	43.50	41.00	39.50	39.00	37.50	34.50
Professional - educational	680.24	676.29	687.10	640.40	591.40	558.80	515.55
Professional - other	27.78	25.60	24.40	25.40	22.10	22.10	16.40
Technical	16.50	13.50	12.50	12.50	12.50	13.00	12.41
Office - clerical	149.35	141.54	138.50	125.60	122.70	109.90	82.21
Craft & trade	12.00	11.00	9.00	9.00	9.00	7.00	7.00
Service worker/laborer	113.70	106.15	106.25	100.60	97.80	95.10	91.78
Total	<u>1,041.17</u>	<u>1,017.58</u>	<u>1,018.75</u>	<u>953.00</u>	<u>894.50</u>	<u>843.40</u>	<u>759.85</u>

<u>Function</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007 (1)</u>	<u>2006 (1)</u>	<u>2005 (1)</u>	<u>2004 (2)</u>
Instruction:							
Regular	526.07	542.12	552.45	523.10	481.70	476.10	428.25
Special	91.60	89.55	85.35	72.50	66.00	47.90	38.00
Vocational	12.00	12.00	11.80	11.50	12.10	9.70	10.00
Support Services:							
Pupil	181.83	174.26	173.40	169.00	163.40	144.80	52.90
Instructional staff	40.37	19.50	20.50	19.30	18.50	18.80	73.12
Administration	47.60	48.00	45.00	33.00	32.00	30.00	61.30
Fiscal	9.00	8.00	9.00	9.00	9.00	9.00	9.00
Business	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Operations and maintenance	87.75	82.00	79.75	74.00	75.50	70.50	55.00
Food service operations	42.95	40.15	40.50	39.60	34.30	34.60	30.28
Total Governmental Activities	<u>1,041.17</u>	<u>1,017.58</u>	<u>1,018.75</u>	<u>953.00</u>	<u>894.50</u>	<u>843.40</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): These amounts have been changed from what was previously reported to include employees that were not previous included.

(2): 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.

(3): Modifications to the state's EMIS system has resulted in improved employee reporting.

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

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

Function	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:										
Regular and Special										
Enrollment (students) *	10,552	10,401	10,204	10,016	9,723	9,233	8,866	8,387	7,935	7,548
Graduates	n/a	n/a	669	659	663	606	554	497	494	483
Support services:										
Board of education										
Regular meetings per year	22	16	18	18	18	15	17	15	17	11
Special meetings per year	1	6	5	13	12	13	12	11	11	10
Administration										
Nonpayroll checks issued	6,203	6,337	6,222	6,984	6,702	7,680	7,638	6,906	n/a	n/a
Pupil transportation										
Avg. students transported daily	5,783	5,974	6,327	6,538	5,973	5,457	5,413	5,589	5,145	n/a
Food service operations										
Meals served to students	1,214,930	1,089,654	1,032,376	1,013,039	992,018	928,798	928,457	805,711	753,964	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 EIGHT FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 9,300,237	\$ 7,754,673	\$ 7,645,730	\$ 7,645,730	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899
Land improvements	12,468,688	8,137,713	7,921,473	8,498,320	9,072,627	8,636,895	9,141,608	1,963,748
Buildings and improvements	125,387,591	87,381,727	91,302,686	95,223,643	97,451,837	101,362,695	105,241,129	46,040,541
Furniture and equipment	1,928,096	1,289,372	1,469,165	1,585,862	1,791,751	1,967,504	2,184,931	414,056
Vehicles	877,912	574,298	583,289	686,636	614,412	513,598	149,174	10,604
Construction in progress	2,692,206	50,924,298	17,435,869	1,158,379	-	278,952	-	64,311,992
Total Governmental Activities Capital Assets, net	<u>\$ 152,654,730</u>	<u>\$ 156,062,081</u>	<u>\$ 126,358,212</u>	<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. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2010	2009	2008	2007	2006	2005
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	420	778	785	736	869	655
Fairfield Elementary (1980)						
Square feet	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	387	387	387	787	787	787
Enrollment	535	783	769	767	696	659
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	572	372	372	372	372	372
Enrollment	545	745	740	729	773	860
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	670	808	790	811	844	789
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	395	662	675	700	721	747
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	572	837	751	725	684	681
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	604	846	807	850	646	632
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	808	772	819	823	719	637
Lakeview Junior High School (2003)						
Square feet	142,082	142,082	142,082	142,082	142,082	142,082
Capacity (students)	1,008	1,008	1,008	1,008	1,008	1,008
Enrollment	841	865	875	860	879	809
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	1,619	1,566	1,458	1,349	1,216	1,088
Pickerington North High School (2003)						
Square feet	323,473	323,473	323,473	323,473	323,473	323,473
Capacity (students)	1,937	1,937	1,937	1,937	1,937	1,937
Enrollment	1,830	1,739	1,735	1,666	1,676	1,676
Sycamore Creek Elementary (2009)						
Square feet	86,695	n/a	n/a	n/a	n/a	n/a
Capacity (students)	750	n/a	n/a	n/a	n/a	n/a
Enrollment	653	n/a	n/a	n/a	n/a	n/a
Toll Gate Elementary (2009)						
Square feet	86,695	n/a	n/a	n/a	n/a	n/a
Capacity (students)	774	n/a	n/a	n/a	n/a	n/a
Enrollment	565	n/a	n/a	n/a	n/a	n/a
Toll Gate Middle School (2009)						
Square feet	101,867	n/a	n/a	n/a	n/a	n/a
Capacity (students)	800	n/a	n/a	n/a	n/a	n/a
Enrollment	495	n/a	n/a	n/a	n/a	n/a
Total enrollment by year	10,552	10,401	10,204	10,016	9,723	9,233

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.

2004	2003	2002	2001 (2)
92,544	92,544	92,544	92,544
771	771	771	-
576	471	444	-
48,435	48,435	48,435	48,435
787	787	787	787
643	665	647	632
46,516	46,516	46,516	46,516
372	372	372	372
739	656	585	826
75,501	75,501	75,501	75,501
653	653	653	653
820	814	788	769
46,516	46,516	46,516	46,516
372	372	372	372
732	736	709	776
94,951	94,951	94,951	94,951
693	693	693	693
689	697	617	569
89,211	89,211	89,211	89,211
656	656	656	656
679	641	641	616
115,851	115,851	115,851	115,851
821	821	821	821
599	1,321	1,253	1,222
142,082	n/a	n/a	n/a
1,008	n/a	n/a	n/a
801	n/a	n/a	n/a
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
1,170	2,386	2,251	2,138
323,473	n/a	n/a	n/a
1,937	n/a	n/a	n/a
1,418	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a
8,866	8,387	7,935	7,548

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

**EDUCATIONAL INDICATORS
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
3rd Grade Achievement										
(Initiated March, 2005)										
Reading	89.1%	89.7%	89.9%	90.6%	90.6%	90.9%	92.8%	n/a	n/a	n/a
Mathematics	80.3%	87.2%	87.8%	87.0%	83.8%	80.8%	n/a	n/a	n/a	n/a
4th Grade Proficiency/Achievement										
(Initiated March, 1995)										
Reading	90.4%	90.8%	93.2%	89.0%	89.5%	89.7%	87.5%	82.7%	83.2%	79.6%
Writing	n/a	93.6%	93.2%	90.5%	93.1%	90.3%	91.0%	88.3%	90.8%	93.3%
Mathematics	82.2%	85.5%	83.1%	84.7%	89.7%	82.0%	82.9%	77.6%	83.9%	84.2%
Science	n/a	n/a	n/a	n/a	n/a	77.7%	79.7%	73.0%	79.0%	80.0%
Citizenship	n/a	n/a	n/a	n/a	n/a	83.2%	79.3%	79.9%	85.7%	84.4%
5th Grade Achievement										
(Initiated March, 2005)										
Reading	81.7%	83.3%	85.1%	89.5%	87.0%	89.6%	n/a	n/a	n/a	n/a
Mathematics	81.2%	77.2%	75.1%	71.1%	72.3%	n/a	n/a	n/a	n/a	n/a
Science	84.9%	85.9%	82.2%	82.0%	n/a	n/a	n/a	n/a	n/a	n/a
Citizenship	n/a	80.2%	83.5%	74.8%	n/a	n/a	n/a	n/a	n/a	n/a
6th Grade Proficiency/Achievement										
(Initiated March, 1996)										
Reading	91.9%	91.7%	93.7%	89.4%	94.6%	84.2%	85.5%	86.4%	79.9%	83.2%
Writing	n/a	n/a	n/a	n/a	n/a	93.6%	97.2%	95.2%	97.3%	96.7%
Mathematics	85.4%	85.2%	89.4%	82.0%	74.7%	80.7%	87.6%	73.8%	86.3%	87.7%
Science	n/a	n/a	n/a	n/a	n/a	80.6%	83.1%	87.2%	83.1%	86.5%
Citizenship	n/a	n/a	n/a	n/a	n/a	88.5%	88.5%	91.5%	93.8%	90.7%
7th Grade Achievement										
(Initiated March, 2005)										
Reading	90.6%	90.9%	88.8%	89.5%	91.2%	n/a	n/a	n/a	n/a	n/a
Mathematics	75.7%	82.8%	76.3%	79.2%	74.8%	71.3%	n/a	n/a	n/a	n/a
Writing	n/a	96.8%	95.2%	93.0%	n/a	n/a	n/a	n/a	n/a	n/a
8th Grade Achievement										
(Initiated March, 2005)										
Reading	90.8%	84.7%	82.8%	92.5%	88.7%	90.4%	n/a	n/a	n/a	n/a
Mathematics	74.0%	78.6%	80.1%	86.2%	81.5%	74.0%	n/a	n/a	n/a	n/a
Science	78.2%	77.7%	77.6%	81.7%	n/a	n/a	n/a	n/a	n/a	n/a
Citizenship	n/a	68.9%	70.4%	70.7%	n/a	n/a	n/a	n/a	n/a	n/a
9th Grade Proficiency										
(Passing on 1st Attempt)										
Writing	n/a	n/a	n/a	n/a	n/a	n/a	97.9%	96.4%	97.8%	99.2%
Reading	n/a	n/a	n/a	n/a	n/a	n/a	97.3%	95.4%	97.3%	97.5%
Mathematics	n/a	n/a	n/a	n/a	n/a	n/a	91.8%	89.9%	91.3%	92.0%
Citizenship	n/a	n/a	n/a	n/a	n/a	n/a	95.9%	93.8%	96.6%	95.5%
Science	n/a	n/a	n/a	n/a	n/a	n/a	95.6%	92.1%	96.2%	93.2%
10th Grade Ohio Graduation Test (OGT):										
(Initiated March, 2005)										
Reading	90.3%	92.4%	91.4%	94.1%	96.3%	97.2%	n/a	n/a	n/a	n/a
Writing	91.0%	97.8%	91.5%	94.8%	96.0%	93.0%	n/a	n/a	n/a	n/a
Mathematics	88.9%	91.8%	90.4%	93.0%	93.6%	92.7%	n/a	n/a	n/a	n/a
Science	81.2%	89.2%	84.8%	84.3%	88.8%	87.8%	n/a	n/a	n/a	n/a
Social Studies	88.4%	93.1%	88.1%	87.1%	91.6%	89.8%	n/a	n/a	n/a	n/a
ODE Per Pupil Costs										
Pickerington	\$ 9,876	\$ 9,623	\$ 9,299	\$ 8,917	\$ 8,834	\$ 8,346	\$ 7,998	\$ 7,426	\$ 7,430	\$ 6,854
State	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586	\$ 9,356	\$ 9,048	\$ 8,758	\$ 8,438	\$ 8,073	\$ 7,602
Pupil/Teacher Ratio	n/a	n/a	19.10	20.50	20.20	21.00	21.40	18.00	18.10	20.10
Student Attendance Rate	95.4%	95.5%	95.7%	96.4%	96.4%	96.6%	96.6%	96.2%	96.0%	95.8%
High School Graduation Rate	n/a	n/a	97.7%	97.9%	98.1%	97.1%	95.8%	98.2%	95.9%	96.2%
Performance Standards										
Pickerington	25	29	29	27	22	21	18	20	22	27
Number of Standards	26	30	30	30	25	23	18	22	22	27
Rating	Excellent	Excellent with Distinction	Excellent with Distinction	Continuous Improvement	Excellent	Effective	Excellent	Effective	Excellent	Excellent
Performance Index Score	100.7	101.8	100.9	100.0	101.1	99.7	99.5	96.7	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

Fiscal Year	General Government		Governmental Activities (2)		Percent Change	Teaching Staff
	Expenditures (1)	Expenses (1)	Enrollment (3)			
2010	\$ 113,012,991	\$ 116,640,204	10,552		1.45%	707
2009	134,088,893	104,661,487	10,401		1.93%	710
2008	111,746,467	100,339,040	10,204		1.88%	709
2007	94,554,987	94,489,579	10,016		3.01%	689
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

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 33.

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

SUPPLEMENTAL REPORTS

FOR THE FISCAL YEAR ENDED
JUNE 30, 2010

DAN GRISCOM, TREASURER

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

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

To the Board of Education:

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, 2010, and have issued our report thereon dated December 17, 2010. 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 17, 2010

**PICKERINGTON LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(H) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Nutrition Grant Cluster:				
(C)(D) School Breakfast Program	10.553	2010	\$ 69,550	\$ 69,550
Total School Breakfast Program			<u>69,550</u>	<u>69,550</u>
(C)(D) National School Lunch Program	10.555	2010	903,144	903,144
(B)(D) National School Lunch Program - Food Donation	10.555	2009	193,435	193,435
Total National School Lunch Program			<u>1,096,579</u>	<u>1,096,579</u>
Total U.S. Department of Agriculture and Nutrition Grant Cluster			<u>1,166,129</u>	<u>1,166,129</u>
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION				
Title I Grant Cluster:				
(E)(G) Title I Grants to Local Educational Agencies	84.010	2009	440	8,726
(E) Title I Grants to Local Educational Agencies	84.010	2010	499,744	466,688
I Total Title I Grants to Local Educational Agencies			<u>500,184</u>	<u>475,414</u>
(E) ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	2010	129,495	115,164
Title I Grant Cluster:			<u>629,679</u>	<u>590,578</u>
Special Education Grant Cluster:				
(F) Special Education_Grants to States	84.027	2009	244,107	265,644
(F) Special Education_Grants to States	84.027	2010	1,380,599	1,277,489
Total Special Education _Grants to States			<u>1,624,706</u>	<u>1,543,133</u>
(F) ARRA - Special Education Grants to States, Recovery Act	84.391	2010	720,486	628,247
Total Special Education Grant Cluster			<u>2,345,192</u>	<u>2,171,380</u>
(G) Safe and Drug-Free Schools and Communities_State Grants	84.186	2009	5,521	-
Safe and Drug-Free Schools and Communities_State Grants	84.186	2010	5,696	5,370
Total Safe and Drug-Free Schools and Communities_State Grants			<u>11,217</u>	<u>5,370</u>
Twenty-First Century Community Learning Center:	84.287	2009	1,003	8,174
Twenty-First Century Community Learning Center:	84.287	2010	159,971	143,027
I Total Twenty First Century Community Learning Centers Grants			<u>160,974</u>	<u>151,201</u>
(G) State Grants for Innovative Programs	84.298	2009	-	5,170
Education Technology State Grants	84.318	2009	-	2,252
Education Technology State Grants	84.318	2010	476	-
Total Educational Technology State Grants			<u>476</u>	<u>2,252</u>
English Language Acquisition Grants	84.365	2009	192	1,100
English Language Acquisition Grants	84.365	2009	67,393	66,342
Total English Language Acquisition Grants			<u>67,585</u>	<u>67,442</u>
Improving Teacher Quality State Grants	84.367	2009	5,095	6,036
Improving Teacher Quality State Grants	84.367	2010	146,180	141,798
Total Improving Teacher Quality State Grants			<u>151,275</u>	<u>147,834</u>
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	2010	2,860,860	2,496,538
Total U.S. Department of Education			<u>6,227,258</u>	<u>5,637,765</u>

- Continued

**PICKERINGTON LOCAL SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(H) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL RECEIPTS	(A) CASH FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF TRANSPORTATION PASSED THROUGH THE OHIO DEPARTMENT OF TRANSPORTATION				
Highway Planning and Constructor	20.205	2009	-	3,309
Highway Planning and Constructor	20.205	2010	1,000	1,000
Total Highway Planning & Construction			<u>1,000</u>	<u>4,309</u>
Total U.S. Department of Transportation			<u>1,000</u>	<u>4,309</u>
Total Federal Financial Assistance			<u>\$ 7,394,387</u>	<u>\$ 6,808,203</u>

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS:

- (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 entitlement value.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) Included as part of "Nutrition Grant Cluster" in determining major programs.
- (E) Included as part of "Title I Grant Cluster" in determining major programs.
- (F) Included as part of "Special Education Grant Cluster" in determining major programs.
- (G) Amount of \$5,526 transferred from Safe and Drug-Free Schools and Communities_State Grants to Title I Grants to Local Agencies, and State Grants for Innovative Programs, based on Ohio Department of Education administrative action and transferability guidelines.

Program Title	Number	Grant Year	Transfers Out	Transfers In
Safe and Drug-Free Schools and Communities State Grants	84.186	2009	\$ 5,526	
Title I Grants to Local Educational Agencies	84.010	2009		\$ 1,076
State Grants for Innovative Programs	84.298	2009		4,450
			<u>\$ 5,526</u>	<u>\$ 5,526</u>

(H) OAKS did not assign pass-through number for fiscal year 2010.



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**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***

Pickerington Local School District
90 East Street
Pickerington, Ohio 43147

To the Board of Education:

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, 2010, which collectively comprise Pickerington Local School District's basic financial statements and have issued our report thereon dated December 17, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Board of Education
Pickerington Local School District

Compliance and Other Matters

As part of reasonably assuring whether Pickerington Local School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

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

Julian & Grube, Inc.
December 17, 2010



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 Each Major Federal Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Pickerington Local School District
90 East Street
Pickerington, OH 43147

To the Board of Education:

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 apply to each of its major federal programs for the fiscal year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies Pickerington Local School District's major federal programs. Pickerington Local School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on 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 the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about Pickerington Local School District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on 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 each of its major federal programs for the fiscal year ended June 30, 2010.

Board of Education
Pickerington Local School District

Internal Control Over Compliance

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

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

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

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



Julian & Grube, Inc.
December 17, 2010

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO
JUNE 30, 2010**

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

1. SUMMARY OF AUDITOR'S RESULTS		
<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 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(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Title I Grant Cluster: Title I Grants to Local Educational Agencies (CFDA #84.010) and ARRA - Title I Grants to Local Educational Agencies, Recover Act (CFDA #84.389); Special Education Grant Cluster: Special Education Grants to States (CFDA #84.027), ARRA - Special Education Grants to States, Recovery Act (CFDA #84.391), ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (CFDA #84.394)

**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO
JUNE 30, 2010**

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

1. SUMMARY OF AUDITOR'S RESULTS - (Continued)		
<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

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
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None

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Dave Yost • Auditor of State

PICKERINGTON LOCAL SCHOOL DISTRICT

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 22, 2011