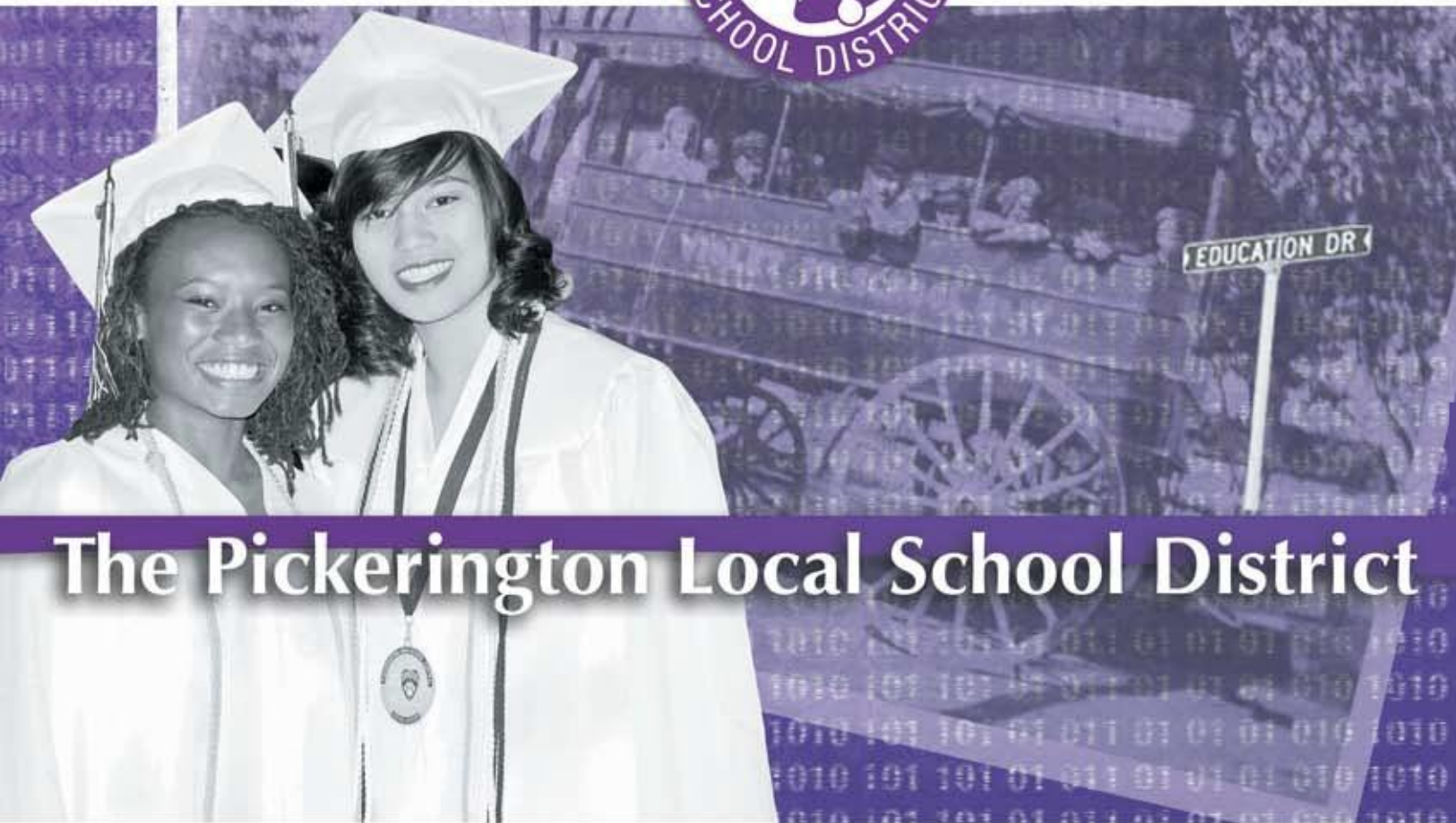


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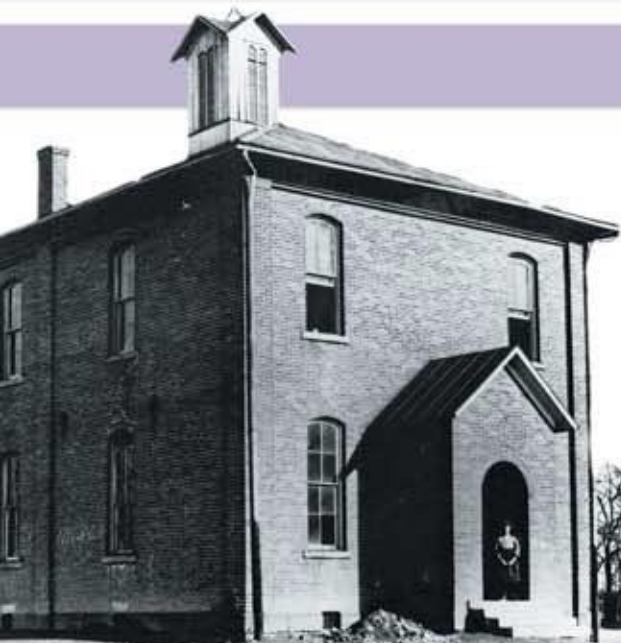


Comprehensive Annual

Financial Report



The Pickerington Local School District



The Pickerington Local School District Comprehensive Annual Financial Report

Board of Education
Pickerington Local School District
Pickerington, Ohio
For Fiscal Year Ended June 30, 2013

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 Clark, Schaefer, Hackett & Co., for the audit period July 1, 2012 through June 30, 2013. 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 cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

February 3, 2014

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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**PICKERINGTON LOCAL
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2013

**PREPARED BY
TREASURER'S DEPARTMENT
RYAN JENKINS, TREASURER**

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INTRODUCTORY SECTION

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**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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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

www.pickerington.k12.oh.us

December 27, 2013

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, 2013 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, 2013, were audited by Clark Schaefer Hackett, 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 the Management's Discussion and Analysis (MD&A).

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

PROFILE OF THE DISTRICT

The District originated in the late 1800's, built its first building in 1907, and is a fiscally independent political subdivision in the State of Ohio. By statute the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code to provide education services authorized by charter and further mandated by state and/or federal agencies. The District is located in a suburb of Columbus, the state capital, and operated two high schools, two junior high schools, three middle schools, and seven elementary schools as of June 30, 2013. The District had approximately 10,200 students enrolled during the 2012-13 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 District's internal controls adequately meet the above objectives.

Budgetary Controls:

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

Instructional Organization:

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

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

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

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

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

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

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

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

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

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

STUDENT ACHIEVEMENT

Scholastic Performance: For the fiscal year 2013, the District met 24 out of 24 Achievement indicators on the Ohio Department of Education’s Local Report Card for schools. In addition, the District earned a Performance Index of 103.3, and received an overall grade of ‘A’ in Math and Reading Progress. The District received an overall grade of ‘C’ in Gap Closing, which is a measure of whether every student, regardless of race, income, culture or disability, is succeeding. The District’s 4-year Graduation Rate earned an ‘A’ grade, and its 5-year graduation cohort rate earned a ‘B’ grade.

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 weekly grade level/content team meetings and State-granted waiver days. Professional development revolves around implementation of the Common Core Standards, using research-based instructional strategies and incorporating 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-12 assist teachers as they meet the needs of all students and implement differentiated instructional practices.

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

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

Foreign Languages: Eighth (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 1-12. Each of our elementary and middle school buildings are served by a Global Integration Team made up of art, music, physical education, and media/technology teachers. All students at the junior high level are enrolled in a creative arts block. Beginning in the sixth grade in middle school, students have the opportunity to enroll in instrumental music (including a strings program). At the junior high this is expanded to include both vocal and instrumental music. Students enroll in visual, vocal and instrumental music and performing arts programs at the high school level.

Technology in Instruction: The District recognizes that technology has become an integral part of education. In addition, technology is a tool to facilitate the 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.

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

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

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

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

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

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

Comprehensive Continuous Improvement Plan: The District annually completes a needs assessment and develops a CCIP (Comprehensive Continuous Improvement Plan) as required by the Ohio Department of Education, Office of Federal Programs in order to receive federal funds, commonly known as "Title" monies. There are two major goals established in this plan for our District 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 III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title VI-B (IDEA - Part B Special Education). The District's current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2013.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. Our District has been awarded the 21st Century Learning Grant to provide after-school intervention to junior high students. The District is also receiving federal funds by being a Race to the Top district; this money is connected to professional development opportunities related to the implementation of revised content standards.

Special Education: The District's special education program provides a full continuum of services from kindergarten through 12th grade based on the individual needs of its 1,257 students on Individualized Education Programs (IEPs). Services are provided in all 14 buildings as well as programs outside of the district. These services range from inclusion support to homebound/hospitalization. Some low incidence classrooms are shared across the district requiring some students to be transported outside of their home building in order to receive the services that are offered in those classrooms. These would include resource rooms that typically serve multiple disabilities, emotional disturbance, and cognitive disabilities. The District supports these classrooms through smaller class sizes (based on State requirements), intensive related services support, and the utilization of paraprofessionals in the classrooms. Pickerington has 32 low incidence classrooms that either service the buildings in which they are located or are shared across the District. Each building has at least one special education cross-categorical teacher that serves identified students in the building. Students in special education resource rooms receive a range of services from instruction in a content area to supporting classroom teachers by addressing specific skill deficits a student may have. The District also offers inclusion support in many buildings with its special education teachers. These teachers support and co-teach with regular education teachers in the general education setting without pulling the IEP students from the classroom. Pickerington has 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 and support staff consisting of six school psychologists, nearly 8.90 speech therapists, 2.2 occupational therapists, one adaptive physical education teacher, one physical therapist, one assistive technology/visual impairment teacher, one academic/behavior coach, a work-study coordinator, 43 teaching aides, and 4.20 instructional paraprofessionals. Some additional services are contracted with other agencies as well. All these classrooms, programs, and personnel are supervised and coordinated on a day-to-day basis by five special education administrators. A special education director oversees all the programs at the district level. Three special education secretaries maintain the special education records and enter critical information into the Education Management Information System (EMIS).

The District contracts with the Fairfield County Educational Service Center to provide special education services to about 90 preschoolers. The preschool classrooms may serve up to eight special needs and four typical students in each classroom. The services for preschoolers may be center-based or itinerate based on the needs of the 3-5 year old students. The center-based program supports the students with a variety of related services.

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

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

As in past years, the District still depends heavily upon state funding, which comprised almost half of total district general fund revenue for the fiscal year. Moving forward, it is important to note that Am Sub HB 59 (fiscal years 2014-2015 Biennial Budget) greatly increases total state funding for the District. Due in large part to a new metric called the Wealth Index, the District's overall wealth calculation of .77, as indexed with all other districts throughout the state, is lower than the state average of 1.0. The Wealth Index is driven by per-pupil property wealth, which is calculated by taking overall taxable property values in the district and dividing that by the total pupils served. Due in large part to the drastic growth of student population in the most recently completed decade (2000-2010), and because the District's property base is almost 90% residential/agricultural property values, the District's Wealth Index has increased the state's share of District formula aid to nearly 60%, which results in year-over-year state aid increases. Nearly \$3.4 million increase in the first year of the biennial budget (fiscal year 2013 to 2014), and \$3.2 million increase in the second year (fiscal year 2014 to 2014). It will be critical for the District to continue to monitor and analyze this vitally important revenue stream.

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

The District also recently completed negotiations with the PEA for a two-year agreement spanning fiscal year 2014 through fiscal year 2015. While the agreement provided for modest salary increases for bargaining unit members (2.50% in fiscal year 2014, and 2.25% in fiscal year 2015), it also included a substantially reduced cap on health care increases for the Board (reduced from 9.50% to 7.90%). In light of uncertainty of the Patient Protection and Affordable Care Act (PPACA, aka Obamacare), the District was diligent in addressing health care cost issues in the most recently completed negotiations. Specifically, concerns over the Cadillac Tax provision of the PPACA led to the reduced capped increase. The cap reduction allows the District to greatly reduce the impending liability imposed by the Cadillac Tax, although it has not been eliminated entirely. Continued diligence will be needed in this area.

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

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pickerington Local School District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013 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, Mr. Rob Walker, and the Assistant Treasurer, Mrs. Keltah Houser-Siders, of the District for their input and assistance in this project. In the financial area, as in the instructional area, our goal is to achieve excellence.

Respectfully submitted,



Timothy “Ryan” Jenkins

Treasurer

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

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

JUNE 30, 2013

Board of Education Members

President	Mrs. Cathy Olshefski
Vice President	Mr. R. Clayton Lopez
Member	Dr. James Brink
Member	Ms Lisa Reade
Member	Ms. Lori Sanders

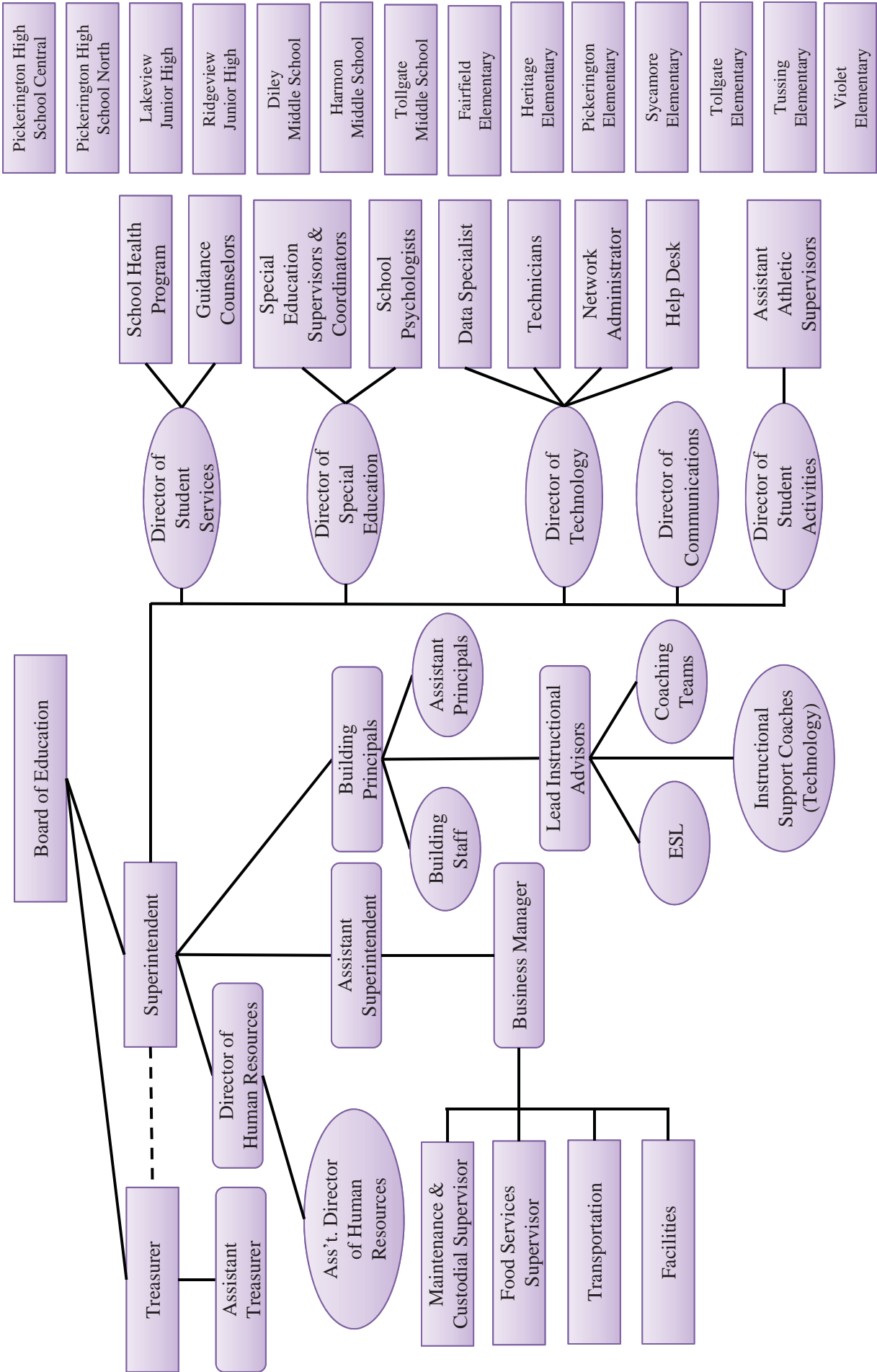
Appointed Officials

Superintendent	Rob Walker
Treasurer	Ryan Jenkins

Administrative Staff

Assistant Superintendent	Bob Blackburn
Director of Human Resources	Debra Porter-Sawyer
Director of Student Services	Michael Smith
Assistant Treasurer	Keltah Houser-Siders
Business Manager	W. Vince Utterback
Principal, Pickerington High School North	Kiya Hunt
Principal, Pickerington High School Central	Zack Howard
Principal, Lakeview Junior High School	Jeff Clark
Principal, Ridgeview Junior High School	Susan Caudill
Principal, Diley Middle School	Heather Hedgepeth
Principal, Toll Gate Middle School	Kara Jackson
Principal, Harmon Middle School	Lee Ann Yoakum
Principal, Fairfield Elementary School	Ruth Stickel
Principal, Heritage Elementary School	Jennifer Russell
Principal, Pickerington Elementary School	Melissa Moriarty
Principal, Tussing Elementary School	Jeannette Henson
Principal, Violet Elementary School	Becky Hornberger
Principal, Toll Gate Elementary School	Kristi Motsch
Principal, Sycamore Creek Elementary School	Nikki Arnold

Pickerington Local School District Organizational Chart





Government Finance Officers Association

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

Presented to

**Pickerington Local School
District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Change in Accounting Principles

As discussed in Note 3 to the financial statements, in fiscal year 2013 the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages F3 through F14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Springfield, Ohio
December 27, 2013

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The management's discussion and analysis of the Pickerington Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. 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 2013 are as follows:

- In total, net position of governmental activities increased \$9,111,535 which represents a 12.94% increase from 2012's restated amount (see Note 3.B).
- General revenues accounted for \$110,090,864 in revenue or 88.84% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$13,824,367 or 11.16% for total revenues of \$123,915,231.
- The District had \$114,803,696 in expenses related to governmental activities; only \$13,824,367 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 \$110,090,864 were adequate to provide for these programs.
- The District's major governmental funds include the general fund and district debt service fund. The general fund had \$100,268,824 in revenues and other financing sources and \$92,729,075 in expenditures and other financing uses. During fiscal year 2013, the general fund's balance increased \$7,539,749 from a balance of \$8,747,002 to a balance of \$16,286,751.
- The district debt service fund had \$14,718,028 in revenues and \$15,078,641 in expenditures. The district debt service fund's balance decreased \$360,613 from \$15,562,337 to \$15,201,724.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net position and statement of activities can be found on pages F 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 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the district debt service fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* than can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F 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, 2013
(UNAUDITED)

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 assets and liabilities 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 58 of this report.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2013 and June 30, 2012. The net position at June 30, 2012 has been restated as described in Note 3.B. In addition, certain 2012 items have been reclassified to conform to current year presentation and to conform to new reporting standards implemented in fiscal year 2013.

	Net Position	
	Governmental Activities 2013	Restated Governmental Activities 2012
<u>Assets</u>		
Current and other assets	\$ 106,097,036	\$ 104,907,449
Capital assets, net	<u>180,606,621</u>	<u>181,839,938</u>
Total assets	<u>286,703,657</u>	<u>286,747,387</u>
<u>Deferred outflows of resources</u>	<u>2,106,711</u>	<u>2,259,131</u>
<u>Liabilities</u>		
Current liabilities	12,657,618	14,910,303
Long-term liabilities	<u>151,379,053</u>	<u>158,432,154</u>
Total liabilities	<u>164,036,671</u>	<u>173,342,457</u>
<u>Deferred inflows of resources</u>	<u>45,238,175</u>	<u>45,240,074</u>
<u>Net Position</u>		
Net investment in capital assets	50,969,833	49,036,160
Restricted	14,188,211	15,100,633
Unrestricted (deficit)	<u>14,377,478</u>	<u>6,287,194</u>
Total net position	<u>\$ 79,535,522</u>	<u>\$ 70,423,987</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$79,535,522. At fiscal year-end, restricted net position was \$14,188,211.

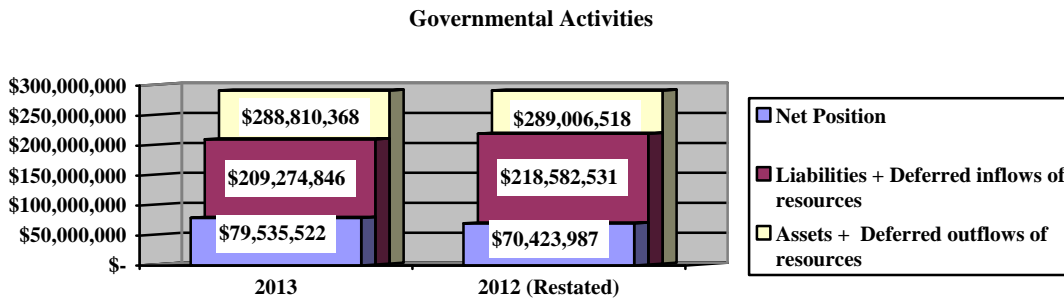
**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

At fiscal year-end, capital assets represented 62.53% of total assets and deferred outflows of resources or 62.99 of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2013 was \$50,969,833. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$14,188,211, represents resources that are subject to external restriction on how they may be used. Of this amount, \$5,468,659 is restricted for capital projects and \$2,683,248 is restricted for debt service. Net position restricted for capital projects have decreased as the District is wrapping up the OSFC project. The remaining balance of unrestricted net position is \$14,377,478.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2013 and June 30, 2012 (as restated). Amounts for 2012 have been restated to conform to new reporting standards implemented in 2013.



The table below shows the change in net position for fiscal years 2013 and 2012. The net position at June 30, 2012 and the amount reported as interest and fiscal charges for 2012 have been restated as described in Note 3.B. to conform to new reporting standards.

	Change in Net Position	
	Governmental	Restated
	Activities	Governmental
	2013	2012
Revenues		
Program revenues:		
Charges for services and sales	\$ 5,923,538	\$ 5,144,274
Operating grants and contributions	7,900,829	7,346,928
General revenues:		
Property taxes	48,690,658	42,191,660
School district income taxes	14,590,961	14,182,466
Grants and entitlements not restricted	46,307,569	45,157,451
Payment in lieu of taxes	250,434	152,625
Investment earnings	109,951	91,970
Other	141,291	142,219
Total revenues	123,915,231	114,409,593

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Change in Net Position	
	Governmental Activities <u>2013</u>	Restated Governmental Activities <u>2012</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 48,191,201	\$ 47,965,763
Special	8,872,090	8,396,846
Vocational	332,180	438,906
Other	3,852,328	3,417,335
Support services:		
Pupil	5,481,281	4,903,756
Instructional staff	6,283,346	5,487,355
Board of education	509,010	528,244
Administration	7,878,590	8,099,300
Fiscal	1,928,272	1,854,338
Business	552,441	540,477
Operations and maintenance	10,547,461	10,440,229
Pupil transportation	5,335,857	5,556,206
Central	85,766	157,325
Operation of non-instructional services:		
Other non-instructional services	444,275	48,703
Food service operations	4,795,927	4,480,977
Extracurricular activities	2,435,911	2,219,007
Interest and fiscal charges	<u>7,277,760</u>	<u>7,142,096</u>
Total expenses	<u>114,803,696</u>	<u>111,676,863</u>
Change in net position	9,111,535	2,732,730
Net position at beginning of year (Restated)	<u>70,423,987</u>	<u>67,691,257</u>
Net position at end of year	<u>\$ 79,535,522</u>	<u>\$ 70,423,987</u>

Governmental Activities

Net position of the District's governmental activities increased \$9,111,535. Total governmental expenses of \$114,803,696 were offset by program revenues of \$13,824,367 and general revenues of \$110,090,864. Program revenues supported 12.04% of the total governmental expenses. The increase in total governmental expenditures can be attributed to the increased costs associated with the new school buildings related to the OSFC project which was recently finished.

The increase in program revenues is attributable to an increase in nonmajor governmental funds such as the food services fund and district managed student activity fund as well as an increase in federal money received through grant funds such as Race to the Top and Title I.

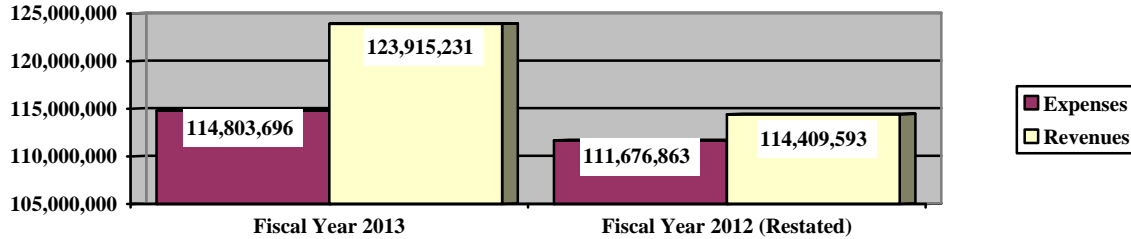
The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted and restricted grants and entitlements from the State of Ohio. These revenue sources represent 88.44% of total governmental revenue. Real estate property is reappraised every six years. The increase in property tax revenue is primarily due to the passage of a 5.5 mill operating levy on August 2, 2011. In addition, the 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, 2013
(UNAUDITED)**

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2013 and 2012. The amounts for 2012 have been restated to conform to new reporting standards implemented in 2013.

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. Interest and fiscal charges have been restated to conform to new reporting standards.

Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	Restated Total Cost of Services 2012	Restated Net Cost of Services 2012
Program expenses				
Instruction:				
Regular	\$ 48,191,201	\$ 46,588,024	\$ 47,965,763	\$ 46,529,752
Special	8,872,090	5,279,579	8,396,846	4,676,003
Vocational	332,180	170,721	438,906	180,414
Other	3,852,328	3,852,328	3,417,335	3,417,335
Support services:				
Pupil	5,481,281	5,200,460	4,903,756	4,747,083
Instructional staff	6,283,346	5,583,667	5,487,355	4,957,707
Board of education	509,010	509,010	528,244	522,251
Administration	7,878,590	7,774,040	8,099,300	7,956,002
Fiscal	1,928,272	1,928,272	1,854,338	1,843,268
Business	552,441	552,441	540,477	540,477
Operations and maintenance	10,547,461	10,134,009	10,440,229	10,202,022
Pupil transportation	5,335,857	5,046,458	5,556,206	5,311,729
Central	85,766	85,766	157,325	143,603
Operations of non-instructional services:				
Other non-instructional services	444,275	(4,372)	48,703	36,607
Food service operations	4,795,927	465,021	4,480,977	611,273
Extracurricular activities	2,435,911	536,145	2,219,007	368,039
Interest and fiscal charges	7,277,760	7,277,760	7,142,096	7,142,096
Total expenses	\$ 114,803,696	\$ 100,979,329	\$ 111,676,863	\$ 99,185,661

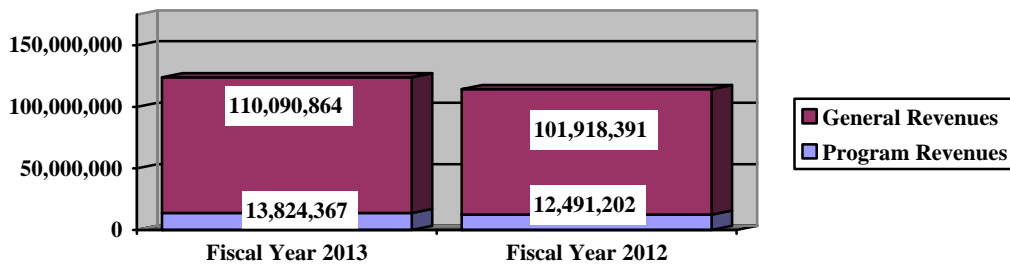
**PICKERINGTON LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The dependence upon tax and other general revenues for governmental activities is apparent, 91.25% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 87.96%. 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 2013 and 2012.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F 17) reported a combined fund balance of \$43,555,260, which is more than last year's total of \$40,302,873. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2013 and June 30, 2012.

	<u>Fund Balance June 30, 2013</u>	<u>Fund Balance June 30, 2012</u>	<u>Increase/ (Decrease)</u>
General	\$ 16,286,751	\$ 8,747,002	\$ 7,539,749
District debt service	15,201,724	15,562,337	(360,613)
Other governmental	<u>12,066,785</u>	<u>15,993,534</u>	<u>(3,926,749)</u>
Total	<u>\$ 43,555,260</u>	<u>\$ 40,302,873</u>	<u>\$ 3,252,387</u>

General Fund

The following tables show the changes in revenues and expenditures in the general fund from 2013 and 2012.

	<u>2013 Amount</u>	<u>2012 Amount</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Taxes	\$ 49,675,874	\$ 44,076,131	\$ 5,599,743	12.70 %
Tuition	691,700	511,088	180,612	35.34 %
Earnings on investments	102,980	108,985	(6,005)	(5.51) %
Intergovernmental	47,107,266	46,050,518	1,056,748	2.29 %
Other revenues	<u>1,765,729</u>	<u>1,826,901</u>	<u>(61,172)</u>	<u>(3.35) %</u>
Total	<u>\$ 99,343,549</u>	<u>\$ 92,573,623</u>	<u>\$ 6,769,926</u>	7.31 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

	2013 <u>Amount</u>	2012 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 53,518,297	\$ 50,662,737	\$ 2,855,560	5.64 %
Support services	35,203,179	34,557,895	645,284	1.87 %
Operation of non-instructional services	57,293	36,358	20,935	57.58 %
Extracurricular activities	1,651,993	1,526,803	125,190	8.20 %
Facilities acquisition and construction	2,313	71,120	(68,807)	(96.75) %
Capital outlay	925,275	-	925,275	100.00 %
Debt service	170,725	153,907	16,818	10.93 %
Total	<u>\$ 91,529,075</u>	<u>\$ 87,008,820</u>	<u>\$ 4,520,255</u>	5.20 %

Overall revenues of the general fund increased \$6,769,926 or 7.31%. The most significant increase was in the area tax revenues. The increase of \$5,599,743 in tax revenues can be attributed to the increase in property taxes. This increase is attributable to fiscal year 2013 being the first full year with the new 5.5 mill operating levy the District passed on August 2, 2011. The operating levy collections began January 2012 and is to generate an approximately \$6 million per year. Tuition increased due to increased revenue related to special education students. Intergovernmental increased \$1,056,748 primarily due to an increase in homestead and rollback receipts of \$660,000 associated with the new operating levy and increased property taxes.

Expenditures of the general fund increased \$4,520,255 or 5.20%. This increase in expenditures is primarily due an increase in instruction expenditures, specifically special instruction, from the prior year. The increase in special expenditures can be attributed to an increase in costs associated with special needs children. These handicaps include hearing, visual and developmental impairments.

District Debt Service Fund

The District's district debt service fund balance decreased \$360,613. This decrease in fund balance is due to the scheduled principal and interest payments on bonds exceeding revenues. The table that follows assists in illustrating the financial activities and fund balance of the district debt service fund.

	2013 <u>Amount</u>	2012 <u>Amount</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 13,065,187	\$ 12,387,507	\$ 677,680	5.47 %
Other local revenues	-	32,369	(32,369)	(100.00) %
Intergovernmental	1,652,841	1,688,031	(35,190)	(2.08) %
Total	<u>\$ 14,718,028</u>	<u>\$ 14,107,907</u>	<u>\$ 610,121</u>	4.32 %
<u>Expenditures</u>				
Support services	\$ 218,641	\$ 230,272	\$ (11,631)	(5.05) %
Debt service	14,860,000	14,761,700	98,300	0.67 %
Total	<u>\$ 15,078,641</u>	<u>\$ 14,991,972</u>	<u>\$ 86,669</u>	0.58 %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

General Fund Budgeting Highlights

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

During the course of fiscal year 2013, the District amended the general fund's budget. For the general fund, original revenues of \$94,123,284 remained the same for the final budgeted revenues and other financing sources. Actual revenues and other financing sources for fiscal year 2013 were \$96,826,806. This represents a \$2,703,522 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated.

General fund original and final appropriations (appropriated expenditures plus other financing uses) totaled \$94,554,939. The actual budget basis expenditures for fiscal year 2013 totaled \$94,108,243, which was \$446,696 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2013, the District had \$180,606,621 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2013 balances compared to June 30, 2012. The capital asset balances at June 30, 2012 have been restated as described in Note 3.B.

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

	Governmental Activities	
	2013	Restated 2012
Land	\$ 9,185,480	\$ 9,185,480
Land improvements	11,406,066	12,318,155
Building and improvements	155,897,125	156,486,259
Furniture and equipment	3,544,974	3,084,058
Vehicles	572,976	765,986
Total	\$ 180,606,621	\$ 181,839,938

The overall decrease in capital assets, net of depreciation, of \$1,233,317 is due depreciation expense of \$8,053,648 and disposals of \$265,831 (net of accumulated depreciation) exceeding capital additions of \$7,086,162 for fiscal year 2013. The primary source for additions was the purchase of copiers through a lease purchase agreement and the completion of buildings associated with the Ohio Schools Facilities Commission project.

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

Debt Administration

At June 30, 2013, the District had \$140,872,141 in general obligation bonds. Of this total, \$9,151,087 is due within one year and \$131,721,054 is due in greater than one year. The District also had \$1,841,453 outstanding for a lease purchase agreement. Of this amount, \$91,271 is due within one year and \$1,750,182 is due in greater than one year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

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

Outstanding Debt, at Year End

	Governmental Activities <u>2013</u>	Governmental Activities <u>2012</u>
General obligation bonds	\$ 140,872,141	\$ 148,589,852
Lease purchase agreement	<u>1,841,453</u>	<u>1,016,281</u>
Total	<u>\$ 142,713,594</u>	<u>\$ 149,606,133</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 the same time, the District must meet increasing demands with State and federal mandates such as No Child Left Behind; the implementation of the national Common Core standards; the implementation of the new Ohio Teacher Evaluation System (OTES); and the implementation of the new Ohio Principal Evaluation System (OPES).

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

As in past years, the District still depends heavily upon state funding, which comprised 43.5% (for the 2012-2013 school year) of total district general fund revenue. Moving forward, it is important to note that Am Sub HB 59 (the 14-15 Biennial Budget) greatly increases total state funding for PLSD. Due in large part to a new metric called the Wealth Index, the District's overall wealth calculation of .77, as indexed with all other districts throughout the state, is lower than the state average of 1.0. The Wealth Index is driven by per-pupil property wealth, which is calculated by taking overall taxable property values in the district and dividing that by the total pupils served. Due in large part to the drastic growth of student population in the most recently completed decade (2000-2010), and because the District's property base is almost 90% residential/agricultural property values, PLSD's Wealth Index has increased the state's share of District formula aid to nearly 60%, which results in year-over-year state aid increases of nearly \$3.4M in the first year of the biennial budget ('13-14 school year over the '12-13 school year), and \$3.2M in the second year of the biennial budget ('14-15 school year over the '13-14 school year) . It will be critical for the District to continue to monitor and analyze this vitally important revenue stream.

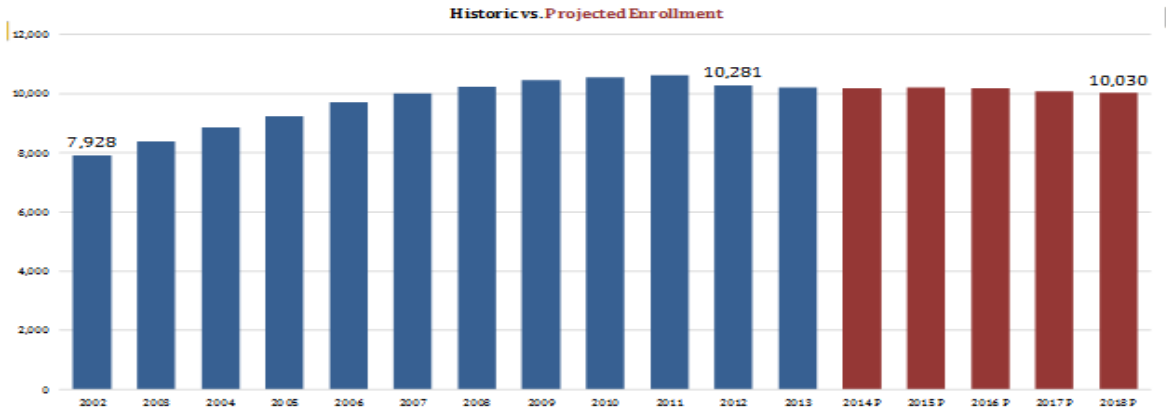
As noted, Pickerington experienced tremendous student population growth during the most recently completed decade (2000-2010), but has experienced a 'leveling-off' over the past couple of years. With the effects of the Great Recession finally beginning to wear off as it relates to housing development,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

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The following chart shows projected student population by grade for the upcoming years:

District Head Count	Grade					
	K	612	630	613	600	600
	1	693	684	705	686	671
	2	705	706	697	718	699
	3	759	722	723	714	736
	4	747	769	732	733	723
	5	825	762	785	747	748
	6	807	842	778	801	762
	7	855	829	865	799	823
	8	870	862	835	872	805
	9	831	889	881	853	891
	10	892	832	890	882	854
	11	829	875	816	873	865
	12	770	810	855	798	853
Total Can Differ by Rounding		10,195	10,212	10,175	10,076	10,030
Year-Over-Year Percentage Change		-0.08%	0.17%	-0.36%	-0.97%	-0.46%



The District continues to experience rising health insurance costs and has taken steps to address these increases in the most recently completed negotiations. The board share of the total cost for health insurance cannot have year over year increases greater than 7.90%.

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

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.

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

- The District passed a 5 mill replacement levy on November 6, 2007, for a continuing period of time. The tax collections, which began January 2009, are used for current operating expenses.
- On March 4, 2009, District voters approved a 7.9 mill renewal levy, for a continuing period of time. The levy commenced in tax year 2009 with collections beginning January 2010. The levy proceeds are used for current operating expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

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

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

As noted earlier, the District also recently completed negotiations with the PEA for a two-year agreement spanning from the 2013-2014 school year through the 2014-2015 school year. While the agreement provided for modest salary increases for bargaining unit members (2.50% in the '13-14 school year, and 2.25% in the '14-15 school year), it also included a substantially reduced cap on health care increases for the Board (reduced from 9.50% to 7.90%). Especially in light of the uncertainty of the Patient Protection and Affordable Care Act (PPACA, aka. Obamacare), the District was diligent in addressing health care cost issues in the most recently completed negotiations. Specifically, concerns over the Cadillac Tax provision of the PPACA led to the reduced capped increase. The cap reduction allows the District to greatly reduce the impending liability imposed by the Cadillac Tax, although it has not been eliminated entirely. Continued diligence will be needed in this area.

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

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

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

In total, the District's leadership believes that with the recent budget reductions; effective management of the negotiations process; the passage of recent levies; and significant increases in state funding as provided by state formula aid; and the adoption of a formal cash balance policy has provided much-improved financial stability for the District for fiscal year 2014 and future years.

Contacting the District's Financial Management

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

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

STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 48,651,882
Cash with fiscal agent	21,881
Cash in segregated accounts	470,534
Receivables:	
Property taxes	49,119,808
Income taxes.	6,281,105
Payment in lieu of taxes	250,433
Accrued interest	20,257
Intergovernmental	1,133,661
Prepayments	111,533
Materials and supplies inventory.	35,942
Capital assets:	
Nondepreciable capital assets	9,185,480
Depreciable capital assets, net.	171,421,141
Capital assets, net	180,606,621
Total assets.	286,703,657
 Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	2,106,711
 Liabilities:	
Accounts payable.	919,358
Contracts payable.	345,067
Retainage payable	470,534
Accrued wages and benefits payable	8,313,265
Pension obligation payable.	1,652,132
Intergovernmental payable	541,280
Accrued interest payable	394,101
Matured bonds payable	20,000
Matured interest payable	1,881
Long-term liabilities:	
Due within one year.	10,202,079
Due in more than one year.	141,176,974
Total liabilities	164,036,671
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year	44,987,742
Payment in lieu of taxes levied for the next fiscal year.	250,433
Total deferred inflows of resources	45,238,175
 Net position:	
Net investment in capital assets	50,969,833
Restricted for:	
Capital projects	5,468,659
Classroom facilities maintenance	3,897,618
Debt service.	2,683,248
State funded programs.	123,456
Federally funded programs	489,173
Student activities	511,482
Other purposes	1,014,575
Unrestricted	14,377,478
Total net position.	\$ 79,535,522

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, 2013

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 48,191,201	\$ 396,667	\$ 1,206,510	\$ (46,588,024)
Special	8,872,090	332,353	3,260,158	(5,279,579)
Vocational	332,180	-	161,459	(170,721)
Other	3,852,328	-	-	(3,852,328)
Support services:				
Pupil	5,481,281	-	280,821	(5,200,460)
Instructional staff	6,283,346	-	699,679	(5,583,667)
Board of education	509,010	-	-	(509,010)
Administration	7,878,590	-	104,550	(7,774,040)
Fiscal	1,928,272	-	-	(1,928,272)
Business	552,441	-	-	(552,441)
Operations and maintenance	10,547,461	413,452	-	(10,134,009)
Pupil transportation	5,335,857	-	289,399	(5,046,458)
Central	85,766	-	-	(85,766)
Operation of non-instructional services:				
Other non-instructional services	444,275	426,313	22,334	4,372
Food service operations	4,795,927	2,599,874	1,731,032	(465,021)
Extracurricular activities	2,435,911	1,754,879	144,887	(536,145)
Interest and fiscal charges	7,277,760	-	-	(7,277,760)
Total governmental activities	\$ 114,803,696	\$ 5,923,538	\$ 7,900,829	(100,979,329)
General revenues:				
Property taxes levied for:				
General purposes				35,135,446
Debt service				13,164,444
Facility maintenance				390,768
Payments in lieu of taxes				250,434
Income taxes levied for:				
General purposes				14,590,961
Grants and entitlements not restricted				
to specific programs				46,307,569
Investment earnings				109,951
Miscellaneous				141,291
Total general revenues				110,090,864
Change in net position				9,111,535
Net position at beginning of year (restated)				70,423,987
Net position at end of year				\$ 79,535,522

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 20,899,624	\$ 14,820,949	\$ 12,908,625	\$ 48,629,198
Cash with fiscal agent	-	21,881	-	21,881
Cash in segregated accounts	-	-	470,534	470,534
Receivables:				
Property taxes	35,565,684	13,061,921	492,203	49,119,808
Income taxes	6,281,105	-	-	6,281,105
Payment in lieu of taxes	91,844	35,640	122,949	250,433
Accrued interest	20,257	-	-	20,257
Intergovernmental	251,856	-	881,805	1,133,661
Prepayments	107,625	-	3,908	111,533
Materials and supplies inventory	-	-	35,942	35,942
Due from other funds	28,955	-	-	28,955
Restricted assets:				
Equity in pooled cash and investments	22,684	-	-	22,684
Total assets	\$ 63,269,634	\$ 27,940,391	\$ 14,915,966	\$ 106,125,991
Liabilities:				
Accounts payable	\$ 827,483	\$ -	\$ 91,875	\$ 919,358
Contracts payable	-	-	345,067	345,067
Retainage payable	-	-	470,534	470,534
Accrued wages and benefits payable	7,855,974	-	457,291	8,313,265
Compensated absences payable	484,773	-	-	484,773
Intergovernmental payable	525,092	-	16,188	541,280
Pension obligation payable	1,516,895	-	135,237	1,652,132
Due to other funds	-	-	28,955	28,955
Matured bonds payable	-	20,000	-	20,000
Matured interest payable	-	1,881	-	1,881
Total liabilities	11,210,217	21,881	1,545,147	12,777,245
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	32,577,974	11,959,225	450,543	44,987,742
Payment in lieu of taxes levied for the next fiscal year	91,844	35,640	122,949	250,433
Delinquent property tax revenue not available	1,965,684	721,921	27,203	2,714,808
Accrued interest not available	14,513	-	-	14,513
Income tax revenue not available	981,799	-	-	981,799
Intergovernmental revenue not available	140,852	-	703,339	844,191
Total deferred inflows of resources	35,772,666	12,716,786	1,304,034	49,793,486
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	35,942	35,942
Prepays	107,625	-	3,908	111,533
Restricted:				
Debt service	-	15,201,724	280,503	15,482,227
Capital improvements	-	-	6,434,205	6,434,205
Classroom facilities maintenance	-	-	3,875,972	3,875,972
Food service operations	-	-	1,001,353	1,001,353
Targeted academic assistance	-	-	20,628	20,628
Other purposes	-	-	147,326	147,326
Extracurricular activities	-	-	511,482	511,482
School bus purchases	22,684	-	-	22,684
Committed:				
Termination benefits	2,210,191	-	-	2,210,191
Assigned:				
Student instruction	119,358	-	-	119,358
Student and staff support	1,580,128	-	-	1,580,128
Extracurricular activities	8,158	-	-	8,158
Facilities acquisition and construction	164,366	-	-	164,366
Discretionary assigned	87,680	-	-	87,680
Other purposes	590,688	-	-	590,688
Unassigned (deficit)	11,395,873	-	(244,534)	11,151,339
Total fund balances	16,286,751	15,201,724	12,066,785	43,555,260
Total liabilities, deferred inflows and fund balances	\$ 63,269,634	\$ 27,940,391	\$ 14,915,966	\$ 106,125,991

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Total governmental fund balances		\$	43,555,260
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			180,606,621
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,714,808	
Income taxes receivable		981,799	
Accrued interest receivable		14,513	
Intergovernmental receivable		844,191	
Total		844,191	4,555,311
Unamortized premiums on bonds issued are not recognized in the funds.			(3,441,849)
Unamortized deferred charges on debt refundings are not recognized in the funds.			2,106,711
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(394,101)
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		(140,872,141)	
Lease-purchase obligations		(1,841,453)	
Compensated absences		(4,738,837)	
Total		(147,452,431)	(147,452,431)
Net position of governmental activities		\$	79,535,522

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, 2013

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 34,987,409	\$ 13,029,546	\$ 490,325	\$ 48,507,280
Income taxes	14,596,621	-	-	14,596,621
Payment in lieu of taxes	91,844	35,641	122,949	250,434
Tuition	691,700	-	-	691,700
Earnings on investments	102,980	-	7,214	110,194
Charges for services	-	-	2,599,874	2,599,874
Extracurricular	849,286	-	519,314	1,368,600
Classroom materials and fees	386,279	-	-	386,279
Rental income	287,973	-	125,479	413,452
Contributions and donations	9,936	-	78,899	88,835
Contract services	37,320	-	426,313	463,633
Other local revenues	194,935	-	114,325	309,260
Intergovernmental - state	46,947,326	1,652,841	1,340,459	49,940,626
Intergovernmental - federal	159,940	-	3,950,379	4,110,319
Total revenues	<u>99,343,549</u>	<u>14,718,028</u>	<u>9,775,530</u>	<u>123,837,107</u>
Expenditures:				
Current:				
Instruction:				
Regular	41,397,544	-	942,077	42,339,621
Special	7,978,997	-	559,569	8,538,566
Vocational	308,389	-	-	308,389
Other	3,833,367	-	-	3,833,367
Support services:				
Pupil	5,007,269	-	257,837	5,265,106
Instructional staff	5,286,661	-	532,167	5,818,828
Board of education	506,489	-	-	506,489
Administration	7,535,511	-	120,896	7,656,407
Fiscal	1,699,561	218,641	8,327	1,926,529
Business	546,366	-	-	546,366
Operations and maintenance	9,435,963	-	648,381	10,084,344
Pupil transportation	5,103,407	-	26,785	5,130,192
Central	81,952	-	3,389	85,341
Operation of non-instructional services:				
Other non-instructional services	57,293	-	384,781	442,074
Food service operations	-	-	4,003,238	4,003,238
Extracurricular activities	1,651,993	-	611,495	2,263,488
Facilities acquisition and construction	2,313	-	6,649,947	6,652,260
Capital outlay	925,275	-	-	925,275
Debt service:				
Principal retirement	100,103	9,760,000	140,000	10,000,103
Interest and fiscal charges	70,622	5,100,000	13,390	5,184,012
Total expenditures	<u>91,529,075</u>	<u>15,078,641</u>	<u>14,902,279</u>	<u>121,509,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,814,474</u>	<u>(360,613)</u>	<u>(5,126,749)</u>	<u>2,327,112</u>
Other financing sources (uses):				
Transfers in	-	-	1,397,457	1,397,457
Transfers (out)	(1,200,000)	-	(197,457)	(1,397,457)
Lease purchase transaction	925,275	-	-	925,275
Total other financing sources (uses)	<u>(274,725)</u>	<u>-</u>	<u>1,200,000</u>	<u>925,275</u>
Net change in fund balances	7,539,749	(360,613)	(3,926,749)	3,252,387
Fund balances at beginning of year	<u>8,747,002</u>	<u>15,562,337</u>	<u>15,993,534</u>	<u>40,302,873</u>
Fund balances at end of year	<u>\$ 16,286,751</u>	<u>\$ 15,201,724</u>	<u>\$ 12,066,785</u>	<u>\$ 43,555,260</u>

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, 2013

Net change in fund balances - total governmental funds	\$	3,252,387
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 7,086,162	
Current year depreciation	(8,053,648)	
Total		(967,486)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(265,831)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	183,378	
Income taxes	(5,660)	
Earnings on investments	938	
Intergovernmental	(73,247)	
Total		105,409
Repayment of bond and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	9,900,000	
Lease-purchase obligations	100,103	
Total		10,000,103
The issuance of a lease-purchase transaction is recorded as other financing source in the funds; however, in the statement of activities, it is not reported as revenue as it increases liabilities on the statement of net position.		
Lease-purchase transaction		(925,275)
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	11,058	
Accreted interest on capital appreciation bonds	(2,182,289)	
Amortization of bond premiums	229,903	
Amortization of deferred charges on debt refundings	(152,420)	
Total		(2,093,748)
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.		
		5,976
Change in net position of governmental activities	\$	9,111,535

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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 33,000,000	\$ 33,000,000	\$ 34,589,229	\$ 1,589,229
Income taxes	14,379,268	14,379,268	14,357,756	(21,512)
Payment in lieu of taxes	75,000	75,000	91,844	16,844
Tuition	465,414	465,414	642,971	177,557
Earnings on investments	100,139	100,139	93,125	(7,014)
Rental income	6,500	6,500	1,108	(5,392)
Other local revenues	19,175	19,175	13,891	(5,284)
Intergovernmental - state	45,987,638	45,987,638	46,873,642	886,004
Intergovernmental - federal	90,000	90,000	159,940	69,940
Total revenues	<u>94,123,134</u>	<u>94,123,134</u>	<u>96,823,506</u>	<u>2,700,372</u>
Expenditures:				
Current:				
Instruction:				
Regular	40,728,838	40,764,000	40,735,595	28,405
Special	7,819,893	7,815,361	7,803,300	12,061
Vocational	406,842	386,515	372,986	13,529
Other	4,025,249	4,000,305	3,928,409	71,896
Support services:				
Pupil	5,084,860	5,086,276	5,067,692	18,584
Instructional staff	5,705,105	5,555,196	5,495,638	59,558
Board of education	655,064	677,150	667,947	9,203
Administration	7,667,807	7,590,980	7,564,127	26,853
Fiscal	1,796,494	1,797,992	1,775,137	22,855
Business	597,659	599,293	585,276	14,017
Operations and maintenance	10,394,272	10,387,927	10,345,422	42,505
Pupil transportation	5,467,437	5,689,132	5,652,309	36,823
Central	121,967	121,893	101,972	19,921
Extracurricular activities	665,913	665,506	636,610	28,896
Facilities acquisition and construction	206,018	205,892	164,302	41,590
Total expenditures	<u>91,343,418</u>	<u>91,343,418</u>	<u>90,896,722</u>	<u>446,696</u>
Excess of revenues over expenditures	<u>2,779,716</u>	<u>2,779,716</u>	<u>5,926,784</u>	<u>3,147,068</u>
Other financing sources (uses):				
Refund of prior year's expenditures	-	-	3,255	3,255
Refund of prior year's receipts	(11,521)	(11,521)	(11,521)	-
Transfers (out)	(3,200,000)	(3,200,000)	(3,200,000)	-
Sale of capital assets	150	150	45	(105)
Total other financing sources (uses)	<u>(3,211,371)</u>	<u>(3,211,371)</u>	<u>(3,208,221)</u>	<u>3,150</u>
Net change in fund balance	(431,655)	(431,655)	2,718,563	3,150,218
Fund balance at beginning of year	10,531,737	10,531,737	10,531,737	-
Prior year encumbrances appropriated	2,183,360	2,183,360	2,183,360	-
Fund balance at end of year	<u>\$ 12,283,442</u>	<u>\$ 12,283,442</u>	<u>\$ 15,433,660</u>	<u>\$ 3,150,218</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2013

	Agency
Assets:	
Equity in pooled cash and investments	\$ 228,590
Total assets.	\$ 228,590
Liabilities:	
Accounts payable.	\$ 19,455
Intergovernmental payable	7,881
Deposits held and due to others	48,411
Due to students.	152,843
Total liabilities	\$ 228,590

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District employs 331 non-certified, 618 certified and 44 administrative employees to provide services to approximately 10,209 students and community groups. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

RELATED ORGANIZATION

Pickerington Community School

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan 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

Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

Ohio School Plan

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

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

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

PROPRIETARY FUNDS

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District 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 position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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.

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

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

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Income taxes, payment in lieu of taxes and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at June 30, 2013, are recorded as deferred inflows on the governmental fund financial statements.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

E. Budgets

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

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

Estimated Resources - By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

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

F. Cash and Investments

To improve cash management, cash received by the District other than cash with fiscal agent or cash in segregated accounts is pooled. Monies for all funds 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 2013, investments were limited to nonnegotiable certificates of deposits, Federal Home Loan bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) 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 2013. 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, 2013.

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 2013 amounted to \$102,980, which includes \$25,605 assigned from other District funds.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

G. Inventory

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

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

Inventory consists of expendable supplies held for consumption, donated food and purchased food. 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 position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deductions during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. During fiscal year 2013, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

I. Interfund Balances

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

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

K. Compensated Absences

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

L. Accrued Liabilities and Long-Term Obligations

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

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

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

N. Net Position

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

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

O. Prepayments

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

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

P. Estimates

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

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, 2013, the District had \$22,684 in restricted assets, which is described in Note 19.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

R. Interfund Activity

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

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

A. Change in Accounting Principles

For fiscal year 2013, the District has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the District.

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the District.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the District's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. For the District, the implementation of GASB Statement No. 65 has changed (1) the classification of certain items, including the deferral of property taxes levied for the subsequent fiscal year, previously reported as liabilities to *deferred inflows of resources*, (2) the classification of unamortized deferred charges on debt refunding transactions from a reduction of liabilities to *deferred outflows of resources*, (3) the reporting of debt issuance costs to an expense in the period incurred rather than amortized over the term of the related debt issuance and (4) net assets of the District as previously reported to remove unamortized bond issuance costs previously reported. The implementation of GASB Statement No. 65 had an effect on net assets as previously reported as described in Note 3.B.

GASB Statement No. 66 enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the District.

B. Restatement of Net Assets \ Net Position

During fiscal year 2013, the District had a reappraisal of its capital assets and corrected for errors and omissions in the amounts previously reported. In addition, the implementation of GASB Statement No. 65 had an effect on the District's net assets as previously reported by removing unamortized bond issuance costs from the District's financial statements. These adjustments had the following effect on net assets as previously reported by the governmental activities:

	<u>Governmental Activities</u>
Net assets as previously reported	\$ 72,591,564
Restatement of capital assets	(1,357,971)
Removal of unamortized bond issue costs	<u>(809,606)</u>
Restated net position, June 30, 2012	<u><u>\$ 70,423,987</u></u>

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2013 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Title VI-B	\$ 200,124
Improving teacher quality	11,318
Miscellaneous federal grants	33,092

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

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

A. Cash with Fiscal Agent

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

B. Cash in Segregated Accounts

At fiscal year-end \$470,534 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, 2013, the carrying amount of all District deposits, including \$5,500,000 in non-negotiable certificates of deposit, was \$39,056,233. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2013, \$26,458,641 of the District's bank balance of \$37,209,929 was exposed to custodial risk as discussed below, while \$10,751,288 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, 2013

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, 2013, 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>13 to 18 months</u>	<u>Greater than 24 months</u>
FHLB	\$ 5,002,570	\$ 3,002,570	\$ 2,000,000	\$ -
FFCB	1,000,000	-	-	1,000,000
STAR Ohio	4,314,084	4,314,084	-	-
Total	<u>\$ 10,316,654</u>	<u>\$ 7,316,654</u>	<u>\$ 2,000,000</u>	<u>\$ 1,000,000</u>

The weighted average maturity of investments is 0.58 years.

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

Credit Risk: The District's investments in federal securities were rated AA+ 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 rating service. The District has no investment policy dealing with credit risk.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 5,002,570	48.49
FFCB	1,000,000	9.69
STAR Ohio	<u>4,314,084</u>	<u>41.82</u>
Total	<u>\$ 10,316,654</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Financial Statements

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the financial statements as of June 30, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 39,056,233
Investments	<u>10,316,654</u>
Total	<u>\$ 49,372,887</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 49,144,297
Agency funds	<u>228,590</u>
Total	<u>\$ 49,372,887</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund transfers for the year ended June 30, 2013, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental fund from:</u>	<u>Amount</u>
General fund	\$ 1,200,000
Nonmajor governmental fund	<u>197,457</u>
Total	<u>\$ 1,397,457</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the building fund (a nonmajor governmental fund) to the permanent improvement fund (a nonmajor governmental fund) were the transfer of interest to be used consistently with the issue of the original debt per ORC 5705.10(E).

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

All transfers made in fiscal year 2013 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

- B.** Due from and to other funds at June 30, 2013 consisted of the following individual amounts, as reported in the fund financial statements:

<u>Due to general fund from:</u>	<u>Amount</u>
Nonmajor governmental fund	<u>\$ 28,955</u>

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

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, 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 2013 represent the collection of calendar year 2012 taxes. Public utility real and personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Fairfield and Franklin Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available as an advance at June 30, 2013 was \$1,022,026 in the general fund, \$380,775 in the debt service fund, \$2,985 in the library debt service fund (a nonmajor governmental fund) and \$11,472 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2012 was \$623,846 in the general fund, \$238,924 in the debt service fund, \$1,813 in the library debt service fund (a nonmajor governmental fund) and \$6,968 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second		2013 First	
	Half Collections		Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,098,339,860	98.63	\$ 1,111,113,150	98.40
Public utility personal	<u>14,927,250</u>	<u>1.37</u>	<u>18,106,270</u>	<u>1.60</u>
Total	<u>\$ 1,113,267,110</u>	<u>100.00</u>	<u>\$ 1,129,219,420</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General	\$72.20		\$72.20	
Bond	13.20		12.70	
Facilities maintenance	0.50		0.50	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2013 consisted of taxes, payment in lieu of taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	\$ 49,119,808
Income taxes	6,281,105
Payment in lieu of taxes	250,433
Accrued interest	20,257
Intergovernmental	<u>1,133,661</u>
Total	<u>\$ 56,805,264</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 8 - CAPITAL ASSETS

During fiscal year 2013, the District had a reappraisal of its capital assets and corrected for errors and omissions in the amounts previously reported (see Note 3.B). The adjustments had the following effect on the District's governmental activities capital asset balances:

	Balance		Restated
	June 30, 2012	Adjustments	Balance
	<u>June 30, 2012</u>	<u>Adjustments</u>	<u>July 1, 2012</u>
<i>Capital assets, not being depreciated:</i>			
Land	\$ 9,300,237	\$ (114,757)	\$ 9,185,480
Total capital assets, not being depreciated	<u>9,300,237</u>	<u>(114,757)</u>	<u>9,185,480</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	18,201,473	1,535,911	19,737,384
Building and improvements	225,479,188	(5,020,262)	220,458,926
Furniture and equipment	5,125,732	621,627	5,747,359
Vehicles	<u>1,774,500</u>	<u>123,553</u>	<u>1,898,053</u>
Total capital assets, being depreciated	<u>250,580,893</u>	<u>(2,739,171)</u>	<u>247,841,722</u>
<i>Less: accumulated depreciation</i>			
Land improvements	(7,444,851)	25,622	(7,419,229)
Building and improvements	(64,419,176)	446,509	(63,972,667)
Furniture and equipment	(3,679,575)	1,016,274	(2,663,301)
Vehicles	<u>(1,139,619)</u>	<u>7,552</u>	<u>(1,132,067)</u>
Total accumulated depreciation	<u>(76,683,221)</u>	<u>1,495,957</u>	<u>(75,187,264)</u>
Governmental activities capital assets, net	<u>\$ 183,197,909</u>	<u>\$ (1,357,971)</u>	<u>\$ 181,839,938</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 8 - CAPITAL ASSETS - (Continued)

Governmental capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Restated Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2013</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 9,185,480	\$ -	\$ -	\$ 9,185,480
Total capital assets, not being depreciated	<u>9,185,480</u>	<u>-</u>	<u>-</u>	<u>9,185,480</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	19,737,384	-	-	19,737,384
Building and improvements	220,458,926	5,809,230	-	226,268,156
Furniture and equipment	5,747,359	1,276,932	(353,859)	6,670,432
Vehicles	<u>1,898,053</u>	<u>-</u>	<u>-</u>	<u>1,898,053</u>
Total capital assets, being depreciated	<u>247,841,722</u>	<u>7,086,162</u>	<u>(353,859)</u>	<u>254,574,025</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(7,419,229)	(912,089)	-	(8,331,318)
Building and improvements	(63,972,667)	(6,398,364)	-	(70,371,031)
Furniture and equipment	(2,663,301)	(550,185)	88,028	(3,125,458)
Vehicles	<u>(1,132,067)</u>	<u>(193,010)</u>	<u>-</u>	<u>(1,325,077)</u>
Total accumulated depreciation	<u>(75,187,264)</u>	<u>(8,053,648)</u>	<u>88,028</u>	<u>(83,152,884)</u>
Governmental activities capital assets, net	<u>\$ 181,839,938</u>	<u>\$ (967,486)</u>	<u>\$ (265,831)</u>	<u>\$ 180,606,621</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 5,415,094
Special	281,244
Vocational	17,800
<u>Support services:</u>	
Pupil	184,402
Instructional staff	416,987
Administration	179,682
Operations and maintenance	451,603
Pupil transportation	180,129
Extracurricular activities	160,742
Food service operation	<u>765,965</u>
Total depreciation expense	<u>\$ 8,053,648</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 9 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE

During fiscal year 2007, the District entered into a lease-purchase agreement with Fifth Third Bank. This lease meets the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. This lease was used to construct a bus/maintenance facility. At June 30, 2013, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$200,412 has been booked as of June 30, 2013 leaving a book value of \$1,469,710. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$85,976 and \$67,909, respectively.

During fiscal year 2013, the District entered into a lease-purchase agreement for the purchase of copiers. This lease meets the criteria of a lease-purchase as defined by GAAP, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. At June 30, 2013, capital assets acquired by lease purchase have been capitalized under furniture and equipment in the amount of \$925,275. Accumulated depreciation of \$92,528 has been booked as of June 30, 2013 leaving a book value of \$832,747. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$14,127 and \$2,713, 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, 2013.

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Total</u>
2014	\$ 355,965
2015	355,966
2016	355,965
2017	355,965
2018	339,125
2019 - 2021	<u>461,634</u>
Total minimum lease payments	2,224,620
Less: amount representing interest	<u>(383,167)</u>
Present value of minimum lease payments	<u>\$ 1,841,453</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. General Obligation Bonds

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the District's general obligation bonds outstanding at June 30, 2013:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>
General Obligation Bonds:				
Series 1993, capital appreciation bonds	\$ 182,823	\$ -	\$ (114,123)	\$ 68,700
Series 1993, capital appreciation bonds accreted interest	3,042,993	365,461	(2,065,877)	1,342,577
Series 1999, capital appreciation bonds	292,128	-	(292,128)	-
Series 1999, capital appreciation bonds accreted interest	544,421	33,451	(577,872)	-
Series 2001, capital appreciation bonds	10,232,656	-	(2,201,472)	8,031,184
Series 2001, capital appreciation bonds accreted interest	7,175,359	798,700	(1,638,528)	6,335,531
Public Library Refunding Bonds:				
Series 2002, current interest bonds	405,000	-	(140,000)	265,000
Series 2002, capital appreciation bonds	40,000	-	-	40,000
Series 2002, capital appreciation bonds accreted interest	99,858	19,514	-	119,372

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Balance			Balance
	<u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2013</u>
General Obligation Bonds:				
Series 2004, current interest refunding bonds	\$ 5,685,000	\$ -	\$ (715,000)	\$ 4,970,000
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	304,926	67,642	-	372,568
Series 2006, current interest refunding bonds	57,935,000	-	(810,000)	57,125,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	4,064,787	897,521	-	4,962,308
Series 2007, current interest bonds	<u>53,330,000</u>	<u>-</u>	<u>(1,345,000)</u>	<u>51,985,000</u>
Total general obligation bonds	<u>\$ 148,589,852</u>	<u>\$ 2,182,289</u>	<u>\$ (9,900,000)</u>	<u>\$ 140,872,141</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.

At June 30, 2013, the remaining issue is comprised of capital appreciation bonds, par value \$68,700. The remaining capital appreciation bonds mature on December 1, 2013. In fiscal year 2013, capital appreciation bonds of \$114,123 matured with total accreted interest of \$2,065,877 (total accreted value at maturity was \$2,180,000). 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 \$1,525,000. A total of \$1,342,577 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2013.

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. The remaining current interest bonds were retired in fiscal year 2011.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

In fiscal year 2013, the remaining capital appreciation bonds of \$292,128 matured with total accreted interest of \$577,872 (total accreted value at maturity was \$870,000).

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

At June 30, 2013, the remaining issue is comprised of capital appreciation bonds, par value \$8,031,184. In fiscal year 2013, capital appreciation bonds of \$2,201,472 matured with accreted interest of \$1,638,528 (total accreted value at maturity was \$3,840,000). The capital appreciation bonds mature on December 1, 2013 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 remaining capital appreciation bonds is \$15,860,000. A total of \$6,335,531 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2013.

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

The refunding issue is comprised of both current interest bonds, par value \$1,840,000, and capital appreciation bonds, par value \$40,000. The average interest rate on the current interest bonds is 3.08%. The capital appreciation bonds mature 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 \$119,372 has been included on the statement of net position.

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated on the current interest bonds is December 1, 2014. The outstanding current interest bonds of \$265,000, capital appreciation bonds of \$40,000, deferred charges of \$6,749 and unamortized premiums of \$15,791 are not included in the calculation of net invested in capital assets, net of related debt because the proceeds of these bonds were not used to purchase capital assets held by the District.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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 \$372,568 has been included on the statement of net position at June 30, 2013.

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

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

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

The refunding issue is comprised of both current interest bonds, par value \$62,670,000, and capital appreciation bonds, par value \$5,109,907. The average interest rate on the current interest bonds is 4.0%. The capital appreciation bonds mature December 1, 2017, December 1, 2018 and December 1, 2019 (stated interest rate 9.55%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity of the capital appreciation bonds is \$16,780,000. Total accreted interest of \$4,962,308 has been included on the statement of net position.

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

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

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034. At June 30, 2013, there was \$1,781,147 in unspent proceeds of the Series 2007 general obligation bonds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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
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	4,180,000	4,622,431	8,802,431	2,038,305	2,171,695	4,210,000
2017	3,515,000	5,155,360	8,670,360	1,963,801	2,836,199	4,800,000
2018	2,515,000	3,243,794	5,758,794	1,864,625	3,730,375	5,595,000
2019 - 2023	27,870,000	16,570,077	44,440,077	3,245,281	7,939,719	11,185,000
2024 - 2028	40,305,000	10,452,856	50,757,856	-	-	-
2029 - 2033	20,715,000	3,327,481	24,042,481	-	-	-
2034 - 2035	7,110,000	305,362	7,415,362	-	-	-
Total	\$ 114,345,000	\$ 53,453,326	\$ 167,798,326	\$ 13,394,785	\$ 21,850,215	\$ 35,245,000

The difference in the amount due in the schedule below in Note 10.C. and the amortization schedule above is \$13,132,356 which is the amount of capital appreciation bond accreted interest that has been recognized as of June 30, 2013.

C. During the fiscal year 2013, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2012	Additions	Reductions	Balance Outstanding June 30, 2013	Amounts Due in One Year
Governmental activities:					
<u>General Obligation Bonds:</u>					
General obligation bonds	\$ 148,589,852	\$ 2,182,289	\$ (9,900,000)	\$ 140,872,141	\$ 9,151,087
Total general obligation bonds payable	148,589,852	2,182,289	(9,900,000)	140,872,141	9,151,087
<u>Other Long-Term Obligations:</u>					
Lease-purchase obligations	1,016,281	925,275	(100,103)	1,841,453	91,271
Compensated absences	5,154,269	1,032,914	(963,573)	5,223,610	959,721
Total other long-term obligations	6,170,550	1,958,189	(1,063,676)	7,065,063	1,050,992
Total governmental activities	\$ 154,760,402	\$ 4,140,478	\$ (10,963,676)	147,937,204	\$ 10,202,079
Add: unamortized premiums on refundings				3,441,849	
Total on statement of net position				\$ 151,379,053	

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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

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, 2013, the District had no unvoted debt.

E. State Loans

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 11 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified eleven and twelve month employees hired prior to April 1, 2012 earn twelve to twenty days of vacation per year, with a maximum accrual of 24 to 40 days, depending upon length of service. Classified eleven and twelve month employees hired after to April 1, 2012 earn ten to twenty days of vacation per year, with a maximum accrual of 20 to 40 days, depending upon length of service. Administrative twelve month employees earn fifteen to twenty-five days of vacation per year, with a maximum accrual of 45 to 60 days, depending upon length of service. 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 with a minimum of five years with the District. An employee receiving such payment must meet the retirement provisions set by STRS Ohio and SERS.

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)	\$298,069,374
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 for most employees by negotiated agreements with employee labor unions. Currently, single coverage and family coverage for all employees except administrators are 85% Board-paid and 15% employee-paid. Single and family coverage for administrators are 80% Board-paid and 20% employee-paid.

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 12 - RISK MANAGEMENT - (Continued)

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

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

C. Ohio SchoolComp Workers' Compensation Group Retrospective Rating Plan

For calendar year 2013, the district participated in the Ohio SchoolComp Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO) (Note 2.A.). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio Bureau of Workers' Compensation (BWC). Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2013 program, the evaluation periods will 12/31/2014, 12/31/2015 and 12/31/2016. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium.

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

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".

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 13 - PENSION PLANS - (Continued)

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 2013, 13.05 percent and 0.05 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, 2013, 2012 and 2011 were \$1,158,796, \$1,128,521 and \$1,120,029, respectively; 74.79 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The remaining pension liability has been reported as due to other governments on the basic financial statements.

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 website at www.strsoh.org, under "Publications".

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.

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

Funding Policy - For fiscal year 2013, 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, 2013, 2012 and 2011 were \$5,981,574, \$6,089,137 and \$6,667,463, respectively; 83.53 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The remaining pension liability has been reported as due to other governments on the basic financial statements. Contributions to the DC and Combined Plans for fiscal year 2013 were \$268,725 made by the District and \$191,946 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, 2013, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

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 Section 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 monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the 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".

**PICKERINGTON LOCAL SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required 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 2013, 0.16 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 2013, the actuarially determined amount was \$20,525.

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, 2013, 2012 and 2011 were \$176,124, \$228,231 and \$321,840, respectively; 74.79 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The remaining pension liability has been reported as due to other governments on the basic financial statements.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$65,459, \$66,645 and \$72,076, respectively; 74.79 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The remaining pension liability has been reported as due to other governments on the basic financial statements.

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, under "Publications" 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 2013, 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, 2013, 2012 and 2011 were \$460,121, \$468,395 and \$512,882, respectively; 83.53 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The remaining pension liability has been reported as due to other governments on the basic financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,718,563
Net adjustment for revenue accruals	757,949
Net adjustment for expenditure accruals	(2,907,836)
Net adjustment for other sources/uses	2,933,496
Funds budgeted elsewhere	1,923,651
Adjustment for encumbrances	<u>2,113,926</u>
GAAP basis	<u>\$ 7,539,749</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 2013, the District income tax generated \$14,590,961 in revenue on the accrual basis of accounting. The District apportions all the proceeds to the general fund.

NOTE 18 - SUBSEQUENT EVENT

During a September 9, 2013 board meeting, the District entered into a \$1.67 million lease purchase agreement with Apple for the acquisition of computer equipment. The lease commencement date is on October 15, 2013.

NOTE 19 - SET-ASIDES

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 19 - SET-ASIDES - (Continued)

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2012	\$ -
Current year set-aside requirement	1,738,121
Current year offsets	(642,497)
Prior year offset from bond proceeds	<u>(1,095,624)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2014	<u>\$ -</u>
Set-aside balance June 30, 2013	<u>\$ -</u>

In addition to the above statutory set-aside, the District also received monies restricted for school bus purchases.

A schedule of the restricted assets at June 30, 2013 follows:

Amount restricted for school bus purchases	<u>\$ 22,684</u>
--	------------------

NOTE 20 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,674,666
Nonmajor governmental funds	<u>3,148,506</u>
Total	<u>\$ 4,823,172</u>

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

MAJOR FUNDS

General

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

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

District Debt Service

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
District Debt Service				
Total Revenues and Other Sources	\$ 14,576,175	\$ 14,190,000	\$ 14,576,177	\$ 386,177
Total Expenditures and Other Uses	<u>15,140,000</u>	<u>15,140,000</u>	<u>15,078,641</u>	<u>61,359</u>
Net Change in Fund Balances	(563,825)	(950,000)	(502,464)	447,536
Fund Balance at Beginning of Year	<u>15,323,413</u>	<u>15,323,413</u>	<u>15,323,413</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,759,588</u>	<u>\$ 14,373,413</u>	<u>\$ 14,820,949</u>	<u>\$ 447,536</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 6,017,770	\$ 277,518	\$ 6,613,337	\$ 12,908,625
Cash in segregated accounts.	-	-	470,534	470,534
Receivables:				
Property taxes	391,646	100,557	-	492,203
Payment in lieu of taxes	1,053	277	121,619	122,949
Intergovernmental	715,870	-	165,935	881,805
Prepayments.	3,908	-	-	3,908
Materials and supplies inventory	35,942	-	-	35,942
Total assets.	\$ 7,166,189	\$ 378,352	\$ 7,371,425	\$ 14,915,966
Liabilities:				
Accounts payable.	\$ 91,875	\$ -	\$ -	\$ 91,875
Contracts payable.	-	-	345,067	345,067
Retainage payable	-	-	470,534	470,534
Accrued wages and benefits	457,291	-	-	457,291
Intergovernmental payable	16,188	-	-	16,188
Pension obligation payable.	135,237	-	-	135,237
Due to other funds	28,955	-	-	28,955
Total liabilities.	729,546	-	815,601	1,545,147
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	358,528	92,015	-	450,543
Payment in lieu of taxes levied for the next fiscal year.	1,053	277	121,619	122,949
Delinquent property tax revenue not available.	21,646	5,557	-	27,203
Intergovernmental revenue not available	703,339	-	-	703,339
Total deferred inflows of resources	1,084,566	97,849	121,619	1,304,034
Fund balances:				
Nonspendable:				
Materials and supplies inventory	35,942	-	-	35,942
Prepayments.	3,908	-	-	3,908
Restricted:				
Debt service	-	280,503	-	280,503
Capital improvements	-	-	6,434,205	6,434,205
Classroom facilities maintenance	3,875,972	-	-	3,875,972
Food service operations	1,001,353	-	-	1,001,353
Targeted academic assistance	20,628	-	-	20,628
Other purposes.	147,326	-	-	147,326
Extracurricular	511,482	-	-	511,482
Unassigned (deficit)	(244,534)	-	-	(244,534)
Total fund balances	5,352,077	280,503	6,434,205	12,066,785
Total liabilities, deferred inflow and fund balances. . .	\$ 7,166,189	\$ 378,352	\$ 7,371,425	\$ 14,915,966

**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, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 389,171	\$ 101,154	\$ -	\$ 490,325
Payment in lieu of taxes.	1,053	277	121,619	122,949
Earnings on investments	1,181	-	6,033	7,214
Charges for services	2,599,874	-	-	2,599,874
Extracurricular	519,314	-	-	519,314
Rental income.	-	-	125,479	125,479
Contributions and donations	78,899	-	-	78,899
Contract services	426,313	-	-	426,313
Other local revenues	69,093	-	45,232	114,325
Intergovernmental - state.	307,315	12,814	1,020,330	1,340,459
Intergovernmental - federal	3,950,379	-	-	3,950,379
Total revenues	<u>8,342,592</u>	<u>114,245</u>	<u>1,318,693</u>	<u>9,775,530</u>
Expenditures:				
Current:				
Instruction:				
Regular.	942,077	-	-	942,077
Special	559,569	-	-	559,569
Support services:				
Pupil	257,837	-	-	257,837
Instructional staff.	531,654	-	513	532,167
Administration	120,896	-	-	120,896
Fiscal.	6,524	1,803	-	8,327
Operations and maintenance	637,685	-	10,696	648,381
Pupil transportation	26,785	-	-	26,785
Central	3,389	-	-	3,389
Operation of non-instructional services:				
Other non-instructional services	384,781	-	-	384,781
Food service operations.	4,003,238	-	-	4,003,238
Extracurricular activities.	611,495	-	-	611,495
Facilities acquisition and construction.	2,940	-	6,647,007	6,649,947
Debt service:				
Principal retirement.	-	140,000	-	140,000
Interest and fiscal charges	-	13,390	-	13,390
Total expenditures	<u>8,088,870</u>	<u>155,193</u>	<u>6,658,216</u>	<u>14,902,279</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>253,722</u>	<u>(40,948)</u>	<u>(5,339,523)</u>	<u>(5,126,749)</u>
Other financing sources (uses):				
Transfers in	-	-	1,397,457	1,397,457
Transfers (out)	-	-	(197,457)	(197,457)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>
Net change in fund balances	253,722	(40,948)	(4,139,523)	(3,926,749)
Fund balances at beginning of year.	<u>5,098,355</u>	<u>321,451</u>	<u>10,573,728</u>	<u>15,993,534</u>
Fund balances at end of year.	<u>\$ 5,352,077</u>	<u>\$ 280,503</u>	<u>\$ 6,434,205</u>	<u>\$ 12,066,785</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

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

School Trusts

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

Facilities Maintenance

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

Student Activity

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

Educational Management Information System (EMIS)

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.

Data Communication

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

Summer School Subsidy

A fund to account for the student intervention services.

Alternative Schools

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

Education Jobs

This fund accounts for federal monies whose purpose is to create education jobs. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

Race to the Top

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

Title VI - B

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

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.

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

Nonmajor Special Revenue Funds (Continued)

Title III

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

Title I

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 - R

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

Miscellaneous Federal Grants

To account for federal grants not classified elsewhere.

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

Uniform School Supplies

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

Public School Support

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

Other Local Grants

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

Self Insurance

A fund provided to account for former involvement related to dental benefits associated through OME-RESA.

Termination Benefits

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

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,314,243	\$ 15,990	\$ 3,896,741	\$ 537,709
Receivables:				
Property taxes	-	-	391,646	-
Payment in lieu of taxes	-	-	1,053	-
Intergovernmental	3,673	-	-	-
Prepayments.	3,908	-	-	-
Materials and supplies inventory	35,942	-	-	-
Total assets.	<u>\$ 1,357,766</u>	<u>\$ 15,990</u>	<u>\$ 4,289,440</u>	<u>\$ 537,709</u>
Liabilities:				
Accounts payable.	\$ 5,180	\$ 1,860	\$ 32,241	\$ 26,227
Accrued wages and benefits	204,740	-	-	-
Intergovernmental payable	2,314	-	-	-
Pension obligation payable.	104,329	-	-	-
Due to other funds	-	-	-	-
Total liabilities.	<u>316,563</u>	<u>1,860</u>	<u>32,241</u>	<u>26,227</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	358,528	-
Payment in lieu of taxes levied for the next fiscal year.	-	-	1,053	-
Delinquent property tax revenue not available.	-	-	21,646	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>381,227</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	35,942	-	-	-
Prepayments.	3,908	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	3,875,972	-
Food service operations	1,001,353	-	-	-
Targeted academic assistance	-	-	-	-
Other purposes.	-	14,130	-	-
Extracurricular	-	-	-	511,482
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>1,041,203</u>	<u>14,130</u>	<u>3,875,972</u>	<u>511,482</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,357,766</u>	<u>\$ 15,990</u>	<u>\$ 4,289,440</u>	<u>\$ 537,709</u>

<u>EMIS</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Race to the Top</u>	<u>Title VI - B</u>
\$ 894	\$ 1,552	\$ 177,307	\$ 15,895	\$ 12,765
-	-	-	-	-
-	-	-	-	-
-	-	-	112,210	265,356
-	-	-	-	-
<u>894</u>	<u>1,552</u>	<u>177,307</u>	<u>128,105</u>	<u>278,121</u>
\$ 100	\$ -	\$ 10,168	\$ 2,030	\$ 7,788
-	-	39,285	-	180,340
-	-	597	13,277	-
-	-	6,147	-	24,761
-	-	-	-	-
<u>100</u>	<u>-</u>	<u>56,197</u>	<u>15,307</u>	<u>212,889</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	103,710	265,356
-	-	-	103,710	265,356
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
794	1,552	121,110	9,088	-
-	-	-	-	-
-	-	-	-	(200,124)
<u>794</u>	<u>1,552</u>	<u>121,110</u>	<u>9,088</u>	<u>(200,124)</u>
<u>\$ 894</u>	<u>\$ 1,552</u>	<u>\$ 177,307</u>	<u>\$ 128,105</u>	<u>\$ 278,121</u>

-- (Continued)

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2013

	Stimulus Title II - D	Title III	Title I	Title VI - R
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 1,400	\$ 38,791	\$ 4,483
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental	-	1,905	284,620	14,213
Prepayments.	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	\$ -	\$ 3,305	\$ 323,411	\$ 18,696
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 1,786	\$ -
Accrued wages and benefits	-	748	16,377	15,801
Intergovernmental payable	-	-	-	-
Pension obligation payable.	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities.	-	748	18,163	15,801
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	-	-	-	-
Payment in lieu of taxes levied for the next fiscal year.	-	-	-	-
Delinquent property tax revenue not available.	-	-	-	-
Intergovernmental revenue not available	-	1,905	284,620	14,213
Total deferred inflows of resources	-	1,905	284,620	14,213
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepayments.	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Targeted academic assistance	-	-	20,628	-
Other purposes.	-	652	-	-
Extracurricular	-	-	-	-
Unassigned (deficit)	-	-	-	(11,318)
Total fund balances (deficits)	-	652	20,628	(11,318)
Total liabilities, deferred inflows and fund balances	\$ -	\$ 3,305	\$ 323,411	\$ 18,696

<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 6,017,770
-	391,646
-	1,053
33,893	715,870
-	3,908
-	35,942
<u>\$ 33,893</u>	<u>\$ 7,166,189</u>
\$ 4,495	\$ 91,875
-	457,291
-	16,188
-	135,237
28,955	28,955
<u>33,450</u>	<u>729,546</u>
-	358,528
-	1,053
-	21,646
33,535	703,339
<u>33,535</u>	<u>1,084,566</u>
-	35,942
-	3,908
-	3,875,972
-	1,001,353
-	20,628
-	147,326
-	511,482
(33,092)	(244,534)
<u>(33,092)</u>	<u>5,352,077</u>
<u>\$ 33,893</u>	<u>\$ 7,166,189</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ 389,171	\$ -
Payment in lieu of taxes	-	-	1,053	-
Earnings on investments	1,181	-	-	-
Charges for services	2,599,874	-	-	-
Extracurricular	-	-	-	519,314
Contributions and donations	-	1,605	-	77,294
Contract services	-	-	-	-
Other local revenues	1,500	-	-	67,593
Intergovernmental - state	24,285	-	257,830	-
Intergovernmental - federal	1,704,066	-	-	-
Total revenues	<u>4,330,906</u>	<u>1,605</u>	<u>648,054</u>	<u>664,201</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	4,350	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	-	973
Fiscal	-	-	6,524	-
Operations and maintenance	21,633	-	606,052	10,000
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	-	-	-	-
Food service operations	4,003,238	-	-	-
Extracurricular activities	-	-	-	611,495
Facilities acquisition and construction	-	-	2,940	-
Total expenditures	<u>4,024,871</u>	<u>4,350</u>	<u>615,516</u>	<u>622,468</u>
Net change in fund balances	306,035	(2,745)	32,538	41,733
Fund balances (deficits) at beginning of year	<u>735,168</u>	<u>16,875</u>	<u>3,843,434</u>	<u>469,749</u>
Fund balances (deficits) at end of year	<u>\$ 1,041,203</u>	<u>\$ 14,130</u>	<u>\$ 3,875,972</u>	<u>\$ 511,482</u>

<u>EMIS</u>	<u>Data Communication</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Education Jobs</u>	<u>Race to the Top</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	426,313	-	-
-	25,200	-	-	-	-
-	-	-	-	-	124,946
-	25,200	-	426,313	-	124,946
-	-	-	-	1	-
-	-	-	-	-	-
100	25,200	-	-	-	-
-	-	-	-	-	119,726
24,814	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,389	-	-	-	-	-
-	-	-	365,502	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,303	25,200	-	365,502	1	119,726
(28,303)	-	-	60,811	(1)	5,220
29,097	-	1,552	60,299	1	3,868
\$ 794	\$ -	\$ 1,552	\$ 121,110	\$ -	\$ 9,088

-- (Continued)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Title VI - B</u>	<u>Stimulus Title II - D</u>	<u>Title III</u>	<u>Title I</u>
Revenues:				
From local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes	-	-	-	-
Earnings on investments	-	-	-	-
Charges for services	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	1,221,998	2,280	65,984	659,977
Total revenues	<u>1,221,998</u>	<u>2,280</u>	<u>65,984</u>	<u>659,977</u>
Expenditures:				
Current:				
Instruction:				
Regular	217,354	-	49,940	528,811
Special	556,915	-	2,654	-
Support services:				
Pupil	232,537	-	-	-
Instructional staff	242,885	3,580	9,011	99,363
Administration	95,109	-	-	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	7,908
Central	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	754	-	4,027	6,223
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>1,345,554</u>	<u>3,580</u>	<u>65,632</u>	<u>642,305</u>
Net change in fund balances	(123,556)	(1,300)	352	17,672
Fund balances (deficits) at beginning of year	<u>(76,568)</u>	<u>1,300</u>	<u>300</u>	<u>2,956</u>
Fund balances (deficits) at end of year	<u>\$ (200,124)</u>	<u>\$ -</u>	<u>\$ 652</u>	<u>\$ 20,628</u>

<u>Title VI - R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 389,171
-	-	1,053
-	-	1,181
-	-	2,599,874
-	-	519,314
-	-	78,899
-	-	426,313
-	-	69,093
-	-	307,315
<u>104,663</u>	<u>66,465</u>	<u>3,950,379</u>
<u>104,663</u>	<u>66,465</u>	<u>8,342,592</u>
94,807	46,814	942,077
-	-	559,569
-	-	257,837
29,995	27,094	531,654
-	-	120,896
-	-	6,524
-	-	637,685
-	18,877	26,785
-	-	3,389
-	8,275	384,781
-	-	4,003,238
-	-	611,495
-	-	2,940
<u>124,802</u>	<u>101,060</u>	<u>8,088,870</u>
(20,139)	(34,595)	253,722
<u>8,821</u>	<u>1,503</u>	<u>5,098,355</u>
<u>\$ (11,318)</u>	<u>\$ (33,092)</u>	<u>\$ 5,352,077</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Food Services				
Total Revenues and Other Sources	\$ 3,624,550	\$ 3,895,550	\$ 4,112,396	\$ 216,846
Total Expenditures and Other Uses	<u>4,261,085</u>	<u>4,261,085</u>	<u>3,813,440</u>	<u>447,645</u>
Net Change in Fund Balances	(636,535)	(365,535)	298,956	664,491
Fund Balance at Beginning of Year	950,225	950,225	950,225	-
Prior Year Encumbrances Appropriated	<u>31,085</u>	<u>31,085</u>	<u>31,085</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 344,775</u>	<u>\$ 615,775</u>	<u>\$ 1,280,266</u>	<u>\$ 664,491</u>
School Trusts				
Total Revenues and Other Sources	\$ 15,000	\$ 15,000	\$ 1,605	\$ (13,395)
Total Expenditures and Other Uses	<u>15,829</u>	<u>15,829</u>	<u>4,925</u>	<u>10,904</u>
Net Change in Fund Balances	(829)	(829)	(3,320)	(2,491)
Fund Balance at Beginning of Year	16,516	16,516	16,516	-
Prior Year Encumbrances Appropriated	<u>829</u>	<u>829</u>	<u>829</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,516</u>	<u>\$ 16,516</u>	<u>\$ 14,025</u>	<u>\$ (2,491)</u>
Facilities Maintenance				
Total Revenues and Other Sources	\$ 411,100	\$ 438,600	\$ 643,550	\$ 204,950
Total Expenditures and Other Uses	<u>488,225</u>	<u>878,937</u>	<u>878,937</u>	<u>-</u>
Net Change in Fund Balances	(77,125)	(440,337)	(235,387)	204,950
Fund Balance at Beginning of Year	3,818,481	3,818,481	3,818,481	-
Prior Year Encumbrances Appropriated	<u>125,300</u>	<u>125,300</u>	<u>125,300</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,866,656</u>	<u>\$ 3,503,444</u>	<u>\$ 3,708,394</u>	<u>\$ 204,950</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Student Activity				
Total Revenues and Other Sources	\$ 477,275	\$ 685,535	\$ 698,886	\$ 13,351
Total Expenditures and Other Uses	<u>643,932</u>	<u>754,494</u>	<u>739,796</u>	<u>14,698</u>
Net Change in Fund Balances	(166,657)	(68,959)	(40,910)	28,049
Fund Balance at Beginning of Year	449,309	449,309	449,309	-
Prior Year Encumbrances Appropriated	<u>48,932</u>	<u>48,932</u>	<u>48,932</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 331,584</u>	<u>\$ 429,282</u>	<u>\$ 457,331</u>	<u>\$ 28,049</u>
EMIS				
Total Expenditures and Other Uses	<u>\$ 1,215</u>	<u>\$ 29,098</u>	<u>\$ 29,098</u>	<u>\$ -</u>
Net Change in Fund Balances	(1,215)	(29,098)	(29,098)	-
Fund Balance at Beginning of Year	28,882	28,882	28,882	-
Prior Year Encumbrances Appropriated	<u>215</u>	<u>215</u>	<u>215</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 27,882</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>
Data Communication				
Total Revenues and Other Sources	\$ 25,200	\$ 25,000	\$ 25,200	\$ 200
Total Expenditures and Other Uses	<u>25,000</u>	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Net Change in Fund Balances	200	(200)	-	200
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 200</u>	<u>\$ (200)</u>	<u>\$ -</u>	<u>\$ 200</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Summer School Subsidy				
Fund Balance at Beginning of Year	\$ 1,552	\$ 1,552	\$ 1,552	\$ -
Fund Balance at End of Year	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>	<u>\$ -</u>
Alternative Schools				
Total Revenues and Other Sources	\$ 472,500	\$ 472,500	\$ 426,313	\$ (46,187)
Total Expenditures and Other Uses	<u>598,512</u>	<u>598,512</u>	<u>429,835</u>	<u>168,677</u>
Net Change in Fund Balances	(126,012)	(126,012)	(3,522)	122,490
Fund Balance at Beginning of Year	90,252	90,252	90,252	-
Prior Year Encumbrances Appropriated	<u>35,875</u>	<u>35,875</u>	<u>35,875</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 115</u>	<u>\$ 115</u>	<u>\$ 122,605</u>	<u>\$ 122,490</u>
Education Jobs				
Total Revenues and Other Sources	\$ 366,479	\$ 366,479	\$ 366,479	\$ -
Total Expenditures and Other Uses	<u>366,486</u>	<u>366,486</u>	<u>366,487</u>	<u>(1)</u>
Net Change in Fund Balances	(7)	(7)	(8)	(1)
Fund Balance at Beginning of Year	<u>8</u>	<u>8</u>	<u>8</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Race to the Top				
Total Revenues and Other Sources	\$ 135,000	\$ 188,504	\$ 116,546	\$ (71,958)
Total Expenditures and Other Uses	<u>143,554</u>	<u>197,604</u>	<u>156,247</u>	<u>41,357</u>
Net Change in Fund Balances	(8,554)	(9,100)	(39,701)	(30,601)
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>9,100</u>	<u>9,100</u>	<u>9,100</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 546</u>	<u>\$ -</u>	<u>\$ (30,601)</u>	<u>\$ (30,601)</u>
Title VI - B				
Total Revenues and Other Sources	\$ 1,655,000	\$ 1,655,000	\$ 1,414,090	\$ (240,910)
Total Expenditures and Other Uses	<u>1,687,586</u>	<u>1,506,396</u>	<u>1,445,359</u>	<u>61,037</u>
Net Change in Fund Balances	(32,586)	148,604	(31,269)	(179,873)
Fund Balance at Beginning of Year	23,729	23,729	23,729	-
Prior Year Encumbrances Appropriated	<u>9,067</u>	<u>9,067</u>	<u>9,067</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ 210</u>	<u>\$ 181,400</u>	<u>\$ 1,527</u>	<u>\$ (179,873)</u>
Stimulus Title II - D				
Total Revenues and Other Sources	\$ -	\$ 2,280	\$ 2,280	\$ -
Total Expenditures and Other Uses	<u>1,300</u>	<u>3,580</u>	<u>3,580</u>	<u>-</u>
Net Change in Fund Balances	(1,300)	(1,300)	(1,300)	-
Fund Balance at Beginning of Year	<u>1,300</u>	<u>1,300</u>	<u>1,300</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Title III				
Total Revenues and Other Sources	\$ 70,000	\$ 70,000	\$ 67,167	\$ (2,833)
Total Expenditures and Other Uses	<u>70,681</u>	<u>68,334</u>	<u>67,925</u>	<u>409</u>
Net Change in Fund Balances	(681)	1,666	(758)	(2,424)
Fund Balance at Beginning of Year	377	377	377	-
Prior Year Encumbrances Appropriated	<u>381</u>	<u>381</u>	<u>381</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 77</u>	<u>\$ 2,424</u>	<u>\$ -</u>	<u>\$ (2,424)</u>
Title I				
Total Revenues and Other Sources	\$ 915,500	\$ 935,266	\$ 659,977	\$ (275,289)
Total Expenditures and Other Uses	<u>922,411</u>	<u>935,285</u>	<u>631,688</u>	<u>303,597</u>
Net Change in Fund Balances	(6,911)	(19)	28,289	28,308
Fund Balance (Deficit) at Beginning of Year	1,031	1,031	1,031	-
Prior Year Encumbrances Appropriated	<u>6,035</u>	<u>6,035</u>	<u>6,035</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 155</u>	<u>\$ 7,047</u>	<u>\$ 35,355</u>	<u>\$ 28,308</u>
Title VI - R				
Total Revenues and Other Sources	\$ 118,000	\$ 118,000	\$ 104,663	\$ (13,337)
Total Expenditures and Other Uses	<u>124,597</u>	<u>111,896</u>	<u>110,229</u>	<u>1,667</u>
Net Change in Fund Balances	(6,597)	6,104	(5,566)	(11,670)
Fund Balance at Beginning of Year	1	1	1	-
Prior Year Encumbrances Appropriated	<u>8,820</u>	<u>8,820</u>	<u>8,820</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,224</u>	<u>\$ 14,925</u>	<u>\$ 3,255</u>	<u>\$ (11,670)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ 128,000	\$ 128,000	\$ 66,465	\$ (61,535)
Total Expenditures and Other Uses	<u>154,183</u>	<u>154,190</u>	<u>154,191</u>	<u>(1)</u>
Net Change in Fund Balances	(26,183)	(26,190)	(87,726)	(61,536)
Fund Balance (Deficit) at Beginning of Year	(27,992)	(27,992)	(27,992)	-
Prior Year Encumbrances Appropriated	<u>54,183</u>	<u>54,183</u>	<u>54,183</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8</u>	<u>\$ 1</u>	<u>\$ (61,535)</u>	<u>\$ (61,536)</u>
Uniform School Supplies				
Total Revenues and Other Sources	\$ 423,050	\$ 423,050	\$ 386,279	\$ (36,771)
Total Expenditures and Other Uses	<u>511,798</u>	<u>511,798</u>	<u>434,959</u>	<u>76,839</u>
Net Change in Fund Balances	(88,748)	(88,748)	(48,680)	40,068
Fund Balance at Beginning of Year	117,198	117,198	117,198	-
Prior Year Encumbrances Appropriated	<u>11,798</u>	<u>11,798</u>	<u>11,798</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 40,248</u>	<u>\$ 40,248</u>	<u>\$ 80,316</u>	<u>\$ 40,068</u>
Public School Support				
Total Revenues and Other Sources	\$ 67,195	\$ 92,595	\$ 130,852	\$ 38,257
Total Expenditures and Other Uses	<u>116,015</u>	<u>145,478</u>	<u>145,478</u>	<u>-</u>
Net Change in Fund Balances	(48,820)	(52,883)	(14,626)	38,257
Fund Balance at Beginning of Year	229,793	229,793	229,793	-
Prior Year Encumbrances Appropriated	<u>13,015</u>	<u>13,015</u>	<u>13,015</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 193,988</u>	<u>\$ 189,925</u>	<u>\$ 228,182</u>	<u>\$ 38,257</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other Local Grants				
Total Revenues and Other Sources	\$ 920,000	\$ 1,078,400	\$ 1,259,542	\$ 181,142
Total Expenditures and Other Uses	<u>975,716</u>	<u>1,260,408</u>	<u>1,260,408</u>	<u>-</u>
Net Change in Fund Balances	(55,716)	(182,008)	(866)	181,142
Fund Balance at Beginning of Year	559,372	559,372	559,372	-
Prior Year Encumbrances Appropriated	<u>35,716</u>	<u>35,716</u>	<u>35,716</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 539,372</u>	<u>\$ 413,080</u>	<u>\$ 594,222</u>	<u>\$ 181,142</u>
Self Insurance				
Fund Balance at Beginning of Year	<u>\$ 12,513</u>	<u>\$ 12,513</u>	<u>\$ 12,513</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 12,513</u>	<u>\$ 12,513</u>	<u>\$ 12,513</u>	<u>\$ -</u>
Termination Benefits				
Total Revenues and Other Sources	<u>\$ -</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>
Net Change in Fund Balances	-	2,000,000	2,000,000	-
Fund Balance at Beginning of Year	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 300,000</u>	<u>\$ 2,300,000</u>	<u>\$ 2,300,000</u>	<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

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

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Library Debt Service				
Total Revenues and Other Sources	\$ 107,350	\$ 113,073	\$ 113,073	\$ -
Total Expenditures and Other Uses	<u>156,890</u>	<u>156,890</u>	<u>155,193</u>	<u>1,697</u>
Net Change in Fund Balances	(49,540)	(43,817)	(42,120)	1,697
Fund Balance at Beginning of Year	<u>319,638</u>	<u>319,638</u>	<u>319,638</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 270,098</u>	<u>\$ 275,821</u>	<u>\$ 277,518</u>	<u>\$ 1,697</u>

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

Nonmajor Capital Project Funds

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

Permanent Improvement

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

Building

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

Classroom Facilities

The classroom facilities 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**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2013

	Permanent Improvement	Building	Classroom Facilities	Total Nonmajor Capital Project Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,318,037	\$ 3,122,586	\$ 1,172,714	\$ 6,613,337
Cash in segregated accounts.	-	470,534	-	470,534
Receivables:				
Payment in lieu of taxes.	121,619	-	-	121,619
Intergovernmental.	165,935	-	-	165,935
Total assets.	<u>\$ 2,605,591</u>	<u>\$ 3,593,120</u>	<u>\$ 1,172,714</u>	<u>\$ 7,371,425</u>
Liabilities:				
Contracts payable.	\$ -	\$ 332,193	\$ 12,874	\$ 345,067
Retainage payable.	-	470,534	-	470,534
Total liabilities.	-	802,727	12,874	815,601
Deferred inflows of resources:				
Payment in lieu of taxes levied for the next fiscal year.	121,619	-	-	121,619
Total deferred inflows of resources.	121,619	-	-	121,619
Fund balances:				
Restricted:				
Capital improvements.	2,483,972	2,790,393	1,159,840	6,434,205
Total fund balances.	2,483,972	2,790,393	1,159,840	6,434,205
Total liabilities, deferred inflow and fund balances . .	<u>\$ 2,605,591</u>	<u>\$ 3,593,120</u>	<u>\$ 1,172,714</u>	<u>\$ 7,371,425</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, 2013

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Project Funds</u>
Revenues:				
From local sources:				
Payment in lieu of taxes	\$ 121,619	\$ -	\$ -	\$ 121,619
Earnings on investments	120	3,247	2,666	6,033
Rental income	125,479	-	-	125,479
Other local revenues	45,232	-	-	45,232
Intergovernmental - state	165,935	-	854,395	1,020,330
Total revenues	<u>458,385</u>	<u>3,247</u>	<u>857,061</u>	<u>1,318,693</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	513	-	-	513
Operations and maintenance	10,696	-	-	10,696
Facilities acquisition and construction	18,932	945,235	5,682,840	6,647,007
Total expenditures	<u>30,141</u>	<u>945,235</u>	<u>5,682,840</u>	<u>6,658,216</u>
Excess (deficiency) of revenues over (under) expenditures	<u>428,244</u>	<u>(941,988)</u>	<u>(4,825,779)</u>	<u>(5,339,523)</u>
Other financing sources (uses):				
Transfers in	1,397,457	-	-	1,397,457
Transfers (out)	-	(197,457)	-	(197,457)
Total other financing sources (uses)	<u>1,397,457</u>	<u>(197,457)</u>	<u>-</u>	<u>1,200,000</u>
Net change in fund balances	1,825,701	(1,139,445)	(4,825,779)	(4,139,523)
Fund balances at beginning of year	<u>658,271</u>	<u>3,929,838</u>	<u>5,985,619</u>	<u>10,573,728</u>
Fund balances at end of year	<u>\$ 2,483,972</u>	<u>\$ 2,790,393</u>	<u>\$ 1,159,840</u>	<u>\$ 6,434,205</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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Permanent Improvement				
Total Revenues and Other Sources	\$ 120,000	\$ 1,689,896	\$ 1,689,907	\$ 11
Total Expenditures and Other Uses	652,812	652,812	187,899	464,913
Net Change in Fund Balances	(532,812)	1,037,084	1,502,008	464,924
Fund Balance at Beginning of Year	538,317	538,317	538,317	-
Prior Year Encumbrances Appropriated	142,812	142,812	142,812	-
Fund Balance at End of Year	\$ 148,317	\$ 1,718,213	\$ 2,183,137	\$ 464,924
Building				
Total Revenues and Other Sources	\$ 3,000	\$ 3,000	\$ 3,247	\$ 247
Total Expenditures and Other Uses	3,604,180	3,604,180	2,923,850	680,330
Net Change in Fund Balances	(3,601,180)	(3,601,180)	(2,920,603)	680,577
Fund Balance at Beginning of Year	2,410,521	2,410,521	2,410,521	-
Prior Year Encumbrances Appropriated	1,804,180	1,804,180	1,804,180	-
Fund Balance at End of Year	\$ 613,521	\$ 613,521	\$ 1,294,098	\$ 680,577
Classroom Facilities				
Total Revenues and Other Sources	\$ 237,410	\$ 267,328	\$ 267,269	\$ (59)
Total Expenditures and Other Uses	7,252,940	7,512,951	7,512,951	-
Net Change in Fund Balances	(7,015,530)	(7,245,623)	(7,245,682)	(59)
Fund Balance at Beginning of Year	228,402	228,402	228,402	-
Prior Year Encumbrances Appropriated	7,017,280	7,017,280	7,017,280	-
Fund Balance at End of Year	\$ 230,152	\$ 59	\$ -	\$ (59)

**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

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

Student Activity

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

**PICKERINGTON LOCAL SCHOOLS
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Beginning Balance July 1, 2012	Additions	Deletions	Ending Balance July 1, 2013
District Agency				
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,646	\$ 219,124	\$ 150,373	\$ 72,397
Total assets	<u>\$ 3,646</u>	<u>\$ 219,124</u>	<u>\$ 150,373</u>	<u>\$ 72,397</u>
Liabilities:				
Accounts payable	\$ -	\$ 16,105	\$ -	\$ 16,105
Intergovernmental payable.	-	7,881	-	7,881
Deposits held and due to others.	3,646	195,138	150,373	48,411
Total liabilities	<u>\$ 3,646</u>	<u>\$ 219,124</u>	<u>\$ 150,373</u>	<u>\$ 72,397</u>
Student Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 191,188	\$ 214,678	\$ 249,673	\$ 156,193
Total assets	<u>\$ 191,188</u>	<u>\$ 214,678</u>	<u>\$ 249,673</u>	<u>\$ 156,193</u>
Liabilities:				
Accounts payable	\$ 3,892	\$ 3,350	\$ 3,892	\$ 3,350
Due to students	187,296	211,328	245,781	152,843
Total liabilities.	<u>\$ 191,188</u>	<u>\$ 214,678</u>	<u>\$ 249,673</u>	<u>\$ 156,193</u>
Total Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents	\$ 194,834	\$ 433,802	\$ 400,046	\$ 228,590
Total assets	<u>\$ 194,834</u>	<u>\$ 433,802</u>	<u>\$ 400,046</u>	<u>\$ 228,590</u>
Liabilities:				
Accounts payable	\$ 3,892	\$ 19,455	\$ 3,892	\$ 19,455
Intergovernmental payable.	-	7,881	-	7,881
Deposits held and due to others	3,646	195,138	150,373	48,411
Due to students	187,296	211,328	245,781	152,843
Total liabilities.	<u>\$ 194,834</u>	<u>\$ 433,802</u>	<u>\$ 400,046</u>	<u>\$ 228,590</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

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

<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 28-35

Sources: Sources are noted on the individual schedules.

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012 (2)</u>	<u>2011 (1)</u>	<u>2010</u>
Governmental activities				
Net invested in capital assets	\$ 50,969,833	\$ 49,036,160	\$ 26,012,261	\$ 8,748,029
Restricted	14,188,211	15,100,633	42,658,687	79,798,417
Unrestricted (deficit)	14,377,478	6,287,194	1,238,352	(16,176,349)
Total governmental activities net position	<u>\$ 79,535,522</u>	<u>\$ 70,423,987</u>	<u>\$ 69,909,300</u>	<u>\$ 72,370,097</u>

(1) Amounts of fiscal year 2011 were reclassified to attribute accreted interest on capital appreciation bonds to restricted for debt service rather than unrestricted to conform to presentation in fiscal year 2012.

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

Source: School District financial records.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 8,765,183	\$ 7,887,455	\$ 7,639,245	\$ 5,680,217	\$ 6,170,204	\$ 9,556,777
78,804,109	23,739,089	18,391,211	16,510,606	15,221,567	14,428,173
(5,250,879)	(4,668,772)	(2,730,099)	(3,513,717)	(2,973,644)	(6,315,089)
<u>\$ 82,318,413</u>	<u>\$ 26,957,772</u>	<u>\$ 23,300,357</u>	<u>\$ 18,677,106</u>	<u>\$ 18,418,127</u>	<u>\$ 17,669,861</u>

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

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

Expenses	2013	2012 (1)	2011	2010
Governmental activities:				
Instruction:				
Regular	\$ 48,191,201	\$ 47,965,763	\$ 53,303,768	\$ 55,599,841
Special	8,872,090	8,396,846	9,164,454	8,960,949
Vocational	332,180	438,906	1,039,530	1,114,525
Adult/continuing	-	-	-	-
Other instructional	3,852,328	3,417,335	2,973,424	3,055,912
Support services:				
Pupil	5,481,281	4,903,756	5,389,487	5,150,296
Instructional staff	6,283,346	5,487,355	7,518,291	7,571,863
Board of education	509,010	528,244	716,717	575,199
Administration	7,878,590	8,099,300	8,301,524	8,822,490
Fiscal	1,928,272	1,854,338	1,867,031	1,744,987
Business	552,441	540,477	509,414	578,191
Operations and maintenance	10,547,461	10,440,229	9,890,158	9,740,418
Pupil transportation	5,335,857	5,556,206	5,621,125	5,966,014
Central	85,766	157,325	175,403	171,148
Operation of non-instructional services:				
Other non-instructional services	444,275	48,703	54,984	73,232
Food service operations	4,795,927	4,480,977	4,773,849	4,379,685
Extracurricular activities	2,435,911	2,219,007	2,777,341	3,135,454
Interest and fiscal charges	7,277,760	7,142,096	8,865,592	8,540,803
Total governmental activities expenses	<u>114,803,696</u>	<u>111,676,863</u>	<u>122,942,092</u>	<u>125,181,007</u>

2009	2008	2007	2006	2005	2004
\$ 49,069,735	\$ 47,880,000	\$ 45,562,366	\$ 42,690,019	\$ 40,326,102	\$ 36,117,943
7,847,020	7,249,632	6,782,936	5,977,721	5,423,614	4,865,195
1,115,837	1,098,881	1,074,249	1,034,985	890,084	761,653
-	-	-	-	10,895	-
2,824,261	2,413,847	2,217,708	1,796,253	1,581,660	1,122,608
4,669,725	4,422,909	4,196,561	4,036,154	3,942,233	3,456,789
6,755,547	5,837,143	5,741,358	4,983,317	4,413,385	3,645,626
528,045	522,851	455,248	501,735	404,032	478,447
7,916,045	7,476,862	7,273,966	7,037,059	6,322,386	6,006,765
1,718,035	1,789,425	1,571,452	1,499,551	1,386,034	1,304,606
624,827	44,051	185,988	175,317	192,496	167,919
9,375,277	9,267,414	8,238,497	9,428,349	9,238,371	6,589,807
5,034,148	5,701,343	5,286,583	4,501,482	3,998,024	3,832,851
176,045	162,150	50,333	74,200	87,250	81,744
72,379	65,316	124,132	86,613	84,897	9,937
4,134,640	3,635,100	3,224,778	3,420,780	3,068,309	2,835,474
2,799,921	2,772,116	2,503,424	2,577,848	2,557,801	2,137,629
8,870,980	8,899,230	7,157,888	5,477,377	6,422,079	6,504,277
<u>113,532,467</u>	<u>109,238,270</u>	<u>101,647,467</u>	<u>95,298,760</u>	<u>90,349,652</u>	<u>79,919,270</u>

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

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

Program Revenues	2013	2012	2011	2010
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 396,667	\$ 400,762	\$ 591,367	\$ 860,381
Special	332,353	110,326	119,792	106,344
Vocational	-	-	-	-
Other instructional	-	-	-	10,697
Support services:				
Instructional staff	-	-	-	31,957
Board of education	-	-	-	-
Administration	-	-	334	-
Operations and maintenance	413,452	238,207	215,484	54,363
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	426,313	-	-	63,026
Food service operations	2,599,874	2,602,529	2,699,934	2,625,572
Extracurricular activities	1,754,879	1,792,450	1,167,595	1,116,425
Interest and fiscal charges	-	-	-	-
Operating grants and contributions:				
Instruction:				
Regular	1,206,510	1,035,249	5,574,084	2,564,164
Special	3,260,158	3,610,517	4,232,299	2,120,356
Vocational	161,459	258,492	161,459	160,257
Other instructional	-	-	110,711	78,617
Support services:				
Pupil	280,821	156,673	906,355	664,504
Instructional staff	699,679	529,648	771,985	980,809
Board of education	-	5,993	-	-
Administration	104,550	143,298	196,426	192,050
Fiscal	-	11,070	-	-
Operations and maintenance	-	-	924	4,600
Pupil transportation	289,399	244,477	231,061	232,614
Central	-	13,722	1,047	-
Operation of non-instructional services:				
Other non-instructional services	22,334	12,096	8,090	23,636
Food service operations	1,731,032	1,267,175	1,462,317	1,188,141
Extracurricular activities	144,887	58,518	42,975	208,391
Capital grants and contributions:				
Support services:				
Instructional staff	-	-	-	-
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>13,824,367</u>	<u>12,491,202</u>	<u>18,494,239</u>	<u>13,286,904</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (100,979,329)</u>	<u>\$ (99,185,661)</u>	<u>\$ (104,447,853)</u>	<u>\$ (111,894,103)</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 901,498	\$ 801,384	\$ 749,201	\$ 805,693	\$ 784,692	\$ 763,229
108,657	91,572	3,103	-	-	-
139	187	-	-	-	-
5,022	6,031	-	-	-	-
15,959	89,088	29,505	53,191	93,499	80,821
-	-	-	770	1,393	1,393
885	282	1,567	2,040	-	266
-	82,536	80,485	94,134	78,501	205,042
91,567	-	-	-	-	-
-	75,782	-	45,858	30,390	5,094
2,568,292	2,458,391	2,321,306	2,259,423	2,173,639	1,744,919
1,200,698	972,586	951,885	757,652	770,200	604,272
-	-	140,458	-	-	-
542,764	591,395	529,021	422,001	515,057	713,667
3,943,115	3,219,492	3,005,521	486,464	532,541	301,038
164,317	147,101	159,709	-	878	-
6,514	-	-	-	-	-
607,168	513,983	580,490	460,779	621,677	386,820
575,271	403,977	389,625	363,616	280,000	257,010
-	-	-	498	-	1,708
167,290	116,717	135,547	110,252	78,249	65,310
-	32,306	32,728	7,997	-	-
21,308	1,075	12,722	108,387	39,279	-
221,562	200,395	223,805	175,849	3,437	-
1,690	3,134	796	18,670	25,511	33,550
51,795	8,660	113,868	46,135	42,546	300
1,011,157	900,180	758,837	836,266	672,054	579,381
163,631	159,950	153,398	264,253	113,753	367,534
-	-	-	91,776	69,720	-
82,369	44,517	64,544	-	-	-
<u>12,452,668</u>	<u>10,920,721</u>	<u>10,438,121</u>	<u>7,411,704</u>	<u>6,927,016</u>	<u>6,111,354</u>
<u>\$ (101,079,799)</u>	<u>\$ (98,317,549)</u>	<u>\$ (91,209,346)</u>	<u>\$ (87,887,056)</u>	<u>\$ (83,422,636)</u>	<u>\$ (73,807,916)</u>

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

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

General Revenues and Other Changes in Net Position

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 35,135,446	\$ 29,651,216	\$ 28,516,543	\$ 27,409,960
Debt service	13,164,444	12,190,336	13,419,079	12,690,376
Facility maintenance	390,768	350,108	376,312	359,894
Capital projects	-	-	-	-
School district income tax	14,590,961	14,182,466	13,646,693	12,328,783
Grants and entitlements not restricted to specific programs	46,307,569	45,157,451	44,587,183	48,622,410
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	-
Payment in lieu of taxes	250,434	152,625	231,511	93,764
Investment earnings	109,951	91,970	206,830	311,036
Miscellaneous	141,291	142,219	104,079	129,564
Total governmental activities	<u>110,090,864</u>	<u>101,918,391</u>	<u>101,088,230</u>	<u>101,945,787</u>
Special Item:				
Refund from OME-RESA	-	-	-	-
Total special item	-	-	-	-
Total primary government	<u>\$ 110,090,864</u>	<u>\$ 101,918,391</u>	<u>\$ 101,088,230</u>	<u>\$ 101,945,787</u>
Change in Net Position				
Governmental activities	<u>\$ 9,111,535</u>	<u>\$ 2,732,730</u>	<u>\$ (3,359,623)</u>	<u>\$ (9,948,316)</u>

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

Source: School District financial records.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 28,346,890	\$ 27,592,489	\$ 25,849,872	\$ 23,527,946	\$ 24,291,458	\$ 21,207,490
13,086,748	13,032,040	11,451,584	8,315,839	8,815,701	8,274,592
370,320	367,422	362,940	330,505	342,193	346,312
-	-	-	-	4	61
12,707,691	12,722,150	12,303,735	10,830,531	10,232,657	9,406,873
47,962,247	44,083,762	42,499,856	43,661,527	40,865,256	37,671,696
52,387,820	-	-	-	-	-
93,577	-	-	-	-	-
1,438,880	3,798,530	3,171,236	1,370,041	786,837	290,056
46,267	378,571	114,942	109,646	4,493	7,282
<u>156,440,440</u>	<u>101,974,964</u>	<u>95,754,165</u>	<u>88,146,035</u>	<u>85,338,599</u>	<u>77,204,362</u>
-	-	78,432	-	-	-
-	-	78,432	-	-	-
<u>\$ 156,440,440</u>	<u>\$ 101,974,964</u>	<u>\$ 95,832,597</u>	<u>\$ 88,146,035</u>	<u>\$ 85,338,599</u>	<u>\$ 77,204,362</u>
<u>\$ 55,360,641</u>	<u>\$ 3,657,415</u>	<u>\$ 4,623,251</u>	<u>\$ 258,979</u>	<u>\$ 1,915,963</u>	<u>\$ 3,396,446</u>

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

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:				
Nonspendable	\$ 107,625	\$ 108,010	\$ 108,045	\$ -
Restricted	22,684	22,684	22,684	-
Committed	2,210,191	300,000	300,000	-
Assigned	2,550,378	2,050,500	2,641,294	-
Unassigned	11,395,873	6,265,808	110,176	-
Reserved	-	-	-	3,727,023
Unreserved	-	-	-	2,458,979
	<u>\$ 16,286,751</u>	<u>\$ 8,747,002</u>	<u>\$ 3,182,199</u>	<u>\$ 6,186,002</u>
Total general fund				
All Other Governmental Funds:				
Nonspendable	\$ 39,850	\$ 58,429	\$ 38,990	\$ -
Restricted	27,473,193	31,574,010	40,828,063	-
Unassigned (deficit)	(244,534)	(76,568)	(204,867)	-
Reserved	-	-	-	21,517,418
Unreserved, reported in:				
Special revenue funds	-	-	-	5,820,541
Capital projects funds	-	-	-	10,962,492
	<u>27,268,509</u>	<u>31,555,871</u>	<u>40,662,186</u>	<u>38,300,451</u>
Total all other governmental funds				
Total governmental funds	<u>\$ 43,555,260</u>	<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>	<u>\$ 44,486,453</u>

Source: School District financial records.

Note: The School District implemented GASB 54 in 2011.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,482,583	4,040,380	5,752,961	6,619,476	5,319,738	4,037,297
<u>7,991,343</u>	<u>7,584,023</u>	<u>4,447,162</u>	<u>2,390,422</u>	<u>3,125,916</u>	<u>1,851,878</u>
<u>\$ 12,473,926</u>	<u>\$ 11,624,403</u>	<u>\$ 10,200,123</u>	<u>\$ 9,009,898</u>	<u>\$ 8,445,654</u>	<u>\$ 5,889,175</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
22,637,462	48,142,449	20,186,286	12,800,490	11,665,682	9,908,916
4,817,266	4,909,347	4,260,742	3,790,669	3,209,491	2,648,206
<u>5,153,568</u>	<u>12,362,602</u>	<u>53,492,285</u>	<u>448,780</u>	<u>1,238,254</u>	<u>2,700,849</u>
<u>32,608,296</u>	<u>65,414,398</u>	<u>77,939,313</u>	<u>17,039,939</u>	<u>16,113,427</u>	<u>15,257,971</u>
<u>\$ 45,082,222</u>	<u>\$ 77,038,801</u>	<u>\$ 88,139,436</u>	<u>\$ 26,049,837</u>	<u>\$ 24,559,081</u>	<u>\$ 21,147,146</u>

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

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
From local sources:				
Property taxes	\$ 48,507,280	\$ 42,782,880	\$ 41,258,734	\$ 41,103,153
Income taxes	14,596,621	14,139,974	13,600,552	12,328,783
Payment in lieu of taxes	250,434	152,625	231,511	93,764
Tuition	691,700	511,088	393,460	431,780
Earnings on investments	110,194	121,009	195,227	379,180
Charges for services	2,599,874	2,602,529	2,699,934	2,625,572
Extracurricular	1,368,600	1,319,523	1,084,725	1,015,191
Classroom materials and fees	386,279	472,927	436,836	498,254
Rental income	413,452	238,207	207,801	212,066
Contributions and donations	88,835	74,891	44,207	115,477
Contract services	463,633	394,464	-	-
Other local revenues	309,260	277,265	211,260	315,056
Intergovernmental - state	49,940,626	66,401,300	69,553,463	59,931,199
Intergovernmental - federal	4,110,319	6,491,029	8,288,504	7,685,262
Total revenues	<u>123,837,107</u>	<u>135,979,711</u>	<u>138,206,214</u>	<u>126,734,737</u>
Expenditures				
Current:				
Instruction:				
Regular	42,339,621	43,181,514	46,784,345	46,539,027
Special	8,538,566	8,155,136	8,878,709	8,774,522
Vocational	308,389	418,464	1,061,573	1,080,428
Adult/Continuing	-	-	-	-
Other	3,833,367	3,410,655	2,966,744	3,049,232
Current:				
Pupil	5,265,106	4,787,908	5,217,514	4,976,200
Instructional staff	5,818,828	5,102,064	7,130,627	7,416,364
Board of education	506,489	522,884	711,357	569,839
Administration	7,656,407	7,954,131	8,240,838	8,668,252
Fiscal	1,926,529	1,854,292	1,865,065	1,736,225
Business	546,366	535,674	502,468	572,732
Operations and maintenance	10,084,344	9,991,213	9,648,741	9,340,562
Pupil transportation	5,130,192	5,385,979	5,445,342	6,247,484
Central	85,341	165,403	175,442	165,243
Operation of non-instructional services:				
Other non-instructional services	442,074	48,703	54,984	73,232
Food service operations	4,003,238	3,839,705	4,180,731	3,989,268
Extracurricular activities	2,263,488	2,053,384	2,585,584	2,975,439
Facilities acquisitions and construction	6,652,260	27,039,867	18,928,748	6,838,942
Capital outlay	925,275	-	-	-
Debt service:				
Principal retirement	10,000,103	9,770,591	9,030,543	8,532,187
Interest and fiscal charges	5,184,012	5,303,656	5,438,927	5,742,451
Bond issuance costs	-	-	-	-
Total expenditures	<u>121,509,995</u>	<u>139,521,223</u>	<u>138,848,282</u>	<u>127,287,629</u>
Excess (deficiency) of revenues over (under) expenditures	2,327,112	(3,541,512)	(642,068)	(552,892)

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	41,292,565	\$ 41,374,565	\$ 36,574,014	\$ 32,106,102	\$ 33,010,092	\$ 29,823,568
	12,707,691	12,722,150	12,303,735	10,830,531	10,232,657	9,406,873
	-	-	-	-	-	-
	462,861	502,651	364,682	385,844	286,220	280,210
	1,549,097	4,248,136	2,774,353	1,277,723	714,940	263,681
	2,568,292	2,458,391	2,321,306	2,259,423	2,173,639	1,744,919
	987,737	990,206	924,704	870,861	805,804	738,964
	479,304	471,680	471,038	423,830	467,455	434,711
	392,681	28,800	140,458	-	-	-
	109,700	-	-	-	-	-
	51,244	-	-	-	-	-
	228,291	682,034	442,059	576,289	408,438	753,963
	51,990,846	47,605,837	45,708,793	43,900,733	41,317,653	37,972,112
	3,236,286	3,088,903	2,541,278	2,389,178	2,358,521	1,875,694
	<u>116,056,595</u>	<u>114,173,353</u>	<u>104,566,420</u>	<u>95,020,514</u>	<u>91,775,419</u>	<u>83,294,695</u>
	45,788,488	44,385,494	42,491,231	39,459,304	36,981,507	33,883,467
	7,672,561	7,085,188	6,630,911	5,836,223	5,225,258	4,771,884
	1,099,164	1,107,582	1,051,999	1,036,313	868,236	742,302
	-	-	-	-	10,895	-
	2,817,581	2,404,790	2,216,745	1,796,253	1,581,660	1,122,608
	4,467,457	4,323,183	4,100,926	3,946,185	3,802,951	3,315,532
	6,481,033	5,602,688	5,477,664	4,687,075	4,156,800	3,471,141
	522,685	517,491	449,888	496,375	398,672	478,384
	7,899,344	7,548,391	7,319,310	6,900,352	6,238,029	5,942,396
	1,721,471	1,798,451	1,570,047	1,495,489	1,380,806	1,301,959
	618,494	85,315	186,834	173,830	190,505	164,063
	8,764,331	8,316,116	7,470,768	7,729,018	7,369,327	6,391,724
	4,979,336	5,516,101	5,346,721	4,596,388	4,335,936	3,953,340
	171,022	162,150	83,733	74,200	87,250	81,416
	72,379	65,316	124,132	86,613	84,897	43,482
	3,621,376	3,256,499	2,755,163	2,973,652	2,618,111	2,481,291
	2,631,807	2,612,138	2,347,040	2,440,691	2,417,915	2,094,169
	34,760,364	16,959,574	4,931,875	2,237,784	2,180,142	8,024,168
	-	-	-	-	-	-
	7,962,219	7,445,000	5,655,780	4,015,000	3,286,383	2,610,594
	5,928,532	6,077,208	4,427,777	3,561,879	4,760,403	4,996,240
	-	-	460,097	524,754	-	207,633
	<u>147,979,644</u>	<u>125,268,675</u>	<u>105,098,641</u>	<u>94,067,378</u>	<u>87,975,683</u>	<u>86,077,793</u>
	(31,923,049)	(11,095,322)	(532,221)	953,136	3,799,736	(2,783,098)

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

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Other Financing Sources (Uses)				
Transfers in	\$ 1,397,457	\$ 1,100,000	\$ -	\$ 2,000,000
Transfers (out)	(1,397,457)	(1,100,000)	-	(2,000,000)
Accrued interest on refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Lease purchase transaction	925,275	-	-	-
Total other financing sources	<u>925,275</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Item				
Refund from OME-RESA				
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,252,387</u>	<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>	<u>\$ (552,892)</u>
Capital expenditures	\$ 7,086,162	\$ 26,855,794	\$ 17,295,601	\$ 3,787,618
Debt service as a percentage of noncapital expenditures	13.27%	13.38%	11.90%	11.56%

Source: School District financial records.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ 665,886	\$ 333,000	\$ 2,627,993
-	-	-	(665,886)	(333,000)	(2,627,993)
-	-	-	-	-	30,368
-	-	1,211,944	3,459,639	-	635,281
162	-	-	-	-	-
-	-	59,900,000	67,779,907	-	13,914,992
-	-	-	(70,714,793)	-	(14,342,639)
-	-	1,432,601	-	-	-
<u>162</u>	<u>-</u>	<u>62,544,545</u>	<u>524,753</u>	<u>-</u>	<u>238,002</u>
-	-	78,432	-	-	-
<u>\$ (31,922,887)</u>	<u>\$ (11,095,322)</u>	<u>\$ 62,090,756</u>	<u>\$ 1,477,889</u>	<u>\$ 3,799,736</u>	<u>\$ (2,545,096)</u>
\$ 34,603,839	\$ 16,471,688	\$ 4,579,641	\$ 962,556	\$ 801,243	\$ 8,223,678
12.25%	12.43%	10.49%	8.70%	9.23%	10.04%

**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
2012	\$ 1,111,113,150	\$ 3,174,609,000	\$ -	\$ -	\$ 18,106,270	\$ 72,425,080
2011	1,098,339,860	3,138,113,886	-	-	14,927,250	59,709,000
2010	1,101,144,820	3,146,128,057	415,910	1,663,640	14,451,250	57,805,000
2009	1,142,219,960	3,263,485,600	819,627	3,278,508	13,415,950	38,331,286
2008	1,122,774,350	3,207,926,714	5,172,720	20,690,880	12,697,600	36,278,857
2007	1,122,831,790	3,208,090,829	4,844,002	19,376,008	12,640,160	36,114,743
2006	1,020,662,560	2,916,178,743	6,205,133	24,820,532	14,706,530	42,018,657
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

Source: Fairfield County Auditor's Office

(A) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(B) The rate at which tangible personal property used in business is assessed for purposes ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. Tangible personal property tax collections were phased out entirely effective for collection year 2011.

(C) Assumes public utilities are assessed at 25% for 2010 and after and 35% for 2009 and prior.

		Total		
Total Direct Tax Rate	Assessed Value	Estimated Actual Value	%	
\$ 85.40	\$ 1,129,219,420	\$ 3,247,034,080	34.78%	
85.90	1,113,267,110	3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	
80.10	1,156,455,537	3,305,095,394	34.99%	
79.70	1,140,644,670	3,264,896,451	34.94%	
80.20	1,140,315,952	3,263,581,579	34.94%	
80.60	1,041,574,223	2,983,017,932	34.92%	
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%	

**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				
2012/2013	18.47	8.55	7.80	0.70	2.30	67.70	12.70	0.50	-	4.50	85.40		
2011/2012	18.07	8.55	7.80	0.70	2.90	67.70	13.20	0.50	-	4.50	85.90		
2010/2011	18.07	8.55	7.80	0.70	2.90	62.20	13.50	0.50	-	4.50	80.70		
2009/2010	18.02	8.55	7.80	0.70	2.90	62.20	12.90	0.50	-	4.50	80.10		
2008/2009	18.02	7.55	7.80	0.70	2.90	62.20	12.50	0.50	-	4.50	79.70		
2007/2008	18.49	7.55	7.80	0.70	2.90	62.20	13.00	0.50	-	4.50	80.20		
2006/2007	17.79	7.55	7.80	0.70	2.90	62.20	13.40	0.50	-	4.50	80.60		
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		

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	0.75	2.00	2012/2013
21.80	21.20	14.05	12.35	11.57	0.85	2.00	2011/2012
21.80	21.20	14.05	12.35	11.57	0.87	2.00	2010/2011
21.80	21.20	14.05	12.35	11.57	0.90	2.00	2009/2010
21.80	21.20	14.05	12.35	11.57	0.15	2.00	2008/2009
21.80	21.20	13.85	12.15	11.57	0.15	2.00	2007/2008
21.80	21.20	12.85	12.15	11.57	0.15	2.00	2006/2007
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

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

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2012 AND DECEMBER 31, 2003

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Creekside I Acouisition LLC	\$ 6,735,760	1	0.60%
Anyi Apartments LLC	6,518,750	2	0.58%
South Central Power Company	6,390,880	3	0.57%
Pickerington Apartments LLC	6,232,190	4	0.55%
Target Corporation	5,681,460	5	0.50%
Regency Centers LP	5,583,700	6	0.49%
Lakes Edge	5,057,920	7	0.45%
OH Retail II LL LLC	4,295,640	8	0.38%
B & G Realty Inc	4,116,030	9	0.36%
Pickerington Square LP	4,102,440	10	0.36%
Total	<u>\$ 54,714,770</u>		<u>\$ 1,129,219,420</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

**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 (1)	Total Collection	Total Collection As a Percent of Total Levy (1)
2012/2013	\$ 53,150,255	\$ 52,056,550	97.94%	\$ 983,980	\$ 53,040,530	99.79%
2011/2012	52,683,360	51,537,170	97.82%	841,025	52,378,195	99.42%
2010/2011	47,007,065	45,820,100	97.47%	1,690,921	47,511,021	101.07%
2009/2010	45,892,289	44,294,246	96.52%	1,265,356	45,559,602	99.28%
2008/2009	45,497,947	43,960,111	96.62%	1,404,352	45,364,463	99.71%
2007/2008	42,910,126	41,355,774	96.38%	1,140,168	42,495,942	99.03%
2006/2007	42,652,185	40,545,738	95.06%	1,127,694	41,673,432	97.71%
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%

Source: Fairfield County Auditor's Office

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

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(B) Total Primary Government	(B) Per Capita	(B) Per ADM	(B) Total Debt as a Percentage of Personal Income
	General Obligation Bonds	Lease Obligations				
2013	\$ 140,872,141	\$ 1,841,453	\$ 142,713,594	\$ 7,660	\$ 13,979	24.53%
2012	148,589,852	1,016,281	149,606,133	8,133	14,546	27.44%
2011	156,354,662	1,096,872	157,451,534	10,512	14,843	34.34%
2010	161,845,660	1,172,415	163,018,075	11,069	15,449	42.84%
2009	167,360,747	1,309,602	168,670,349	11,536	16,217	44.65%
2008	172,276,266	1,371,821	173,648,087	11,996	17,018	46.42%
2007	176,913,710	1,371,821	178,285,531	12,538	17,800	48.52%
2006	120,033,604	-	120,033,604	8,844	12,345	34.23%
2005	122,049,697	-	122,049,697	9,343	13,219	36.16%
2004	123,571,606	66,383	123,637,989	10,168	13,945	39.35%

Sources:

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

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

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

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Net Position Restricted for Debt Service	Net Bonded Debt		
2013	\$ 140,872,141	\$ 2,683,248	\$ 138,188,893	4.26%	\$ 7,417
2012	148,589,852	1,039,877	147,549,975	4.61%	8,021
2011 (1)	156,354,662	134,203	156,220,459	4.87%	10,430
2010	161,845,660	16,762,215	145,083,445	4.39%	9,851
2009	167,360,747	16,531,402	150,829,345	4.62%	10,316
2008	172,276,266	15,724,746	156,551,520	4.80%	10,815
2007	176,913,710	14,153,512	162,760,198	5.46%	11,446
2006	120,033,604	11,740,575	108,293,029	3.77%	7,979
2005	122,049,697	10,009,586	112,040,111	4.08%	8,577
2004	123,571,606	8,122,116	115,449,490	4.83%	9,495

(1) Fiscal year 2011 amounts have been restated to reflect the effects of net position reclassifications made to conform to current year presentation.

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

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Pickerington Local School District	\$ 142,713,594	100.00%	\$ 142,713,594
	<u>142,713,594</u>		<u>142,713,594</u>
Overlapping debt:			
Fairfield County	5,375,000	33.82%	1,817,825
Franklin County	238,245,000	0.06%	142,947
City of Canal Winchester	2,132,824	0.05%	1,066
City of Columbus	1,114,354,444	0.98%	10,920,674
City of Pickerington	16,360,000	99.87%	16,338,732
City of Reynoldsburg	2,726,200	3.72%	101,415
Madison Township	361,229	0.47%	1,698
Violet Township	2,510,000	95.12%	2,387,512
Eastland-Fairfield Career & Technical JVS District	3,150,000	15.65%	492,975
	<u>1,385,214,697</u>		<u>32,204,844</u>
Total direct and overlapping debt	<u>\$ 1,527,928,291</u>		<u>\$ 174,918,438</u>

Source: Ohio Municipal Advisory Council

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2011 collection year.

**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
2013	\$ 101,629,748	\$ 127,739,785	\$ 15,482,227	\$ 112,257,558	\$ (10,627,810)	110.46%
2012	100,194,040	133,357,508	15,883,788	117,473,720	(17,279,680)	117.25%
2011	100,403,646	139,015,433	16,812,713	122,202,720	(21,799,074)	121.71%
2010	104,007,232	144,911,786	16,532,873	128,378,913	(24,371,681)	123.43%
2009	102,653,563	151,585,255	16,163,075	135,422,180	(32,768,617)	131.92%
2008	102,175,834	157,879,129	15,114,548	142,764,581	(40,588,747)	139.72%
2007	92,933,023	162,760,198	14,537,042	148,223,156	(55,290,133)	159.49%
2006	90,069,817	108,293,029	11,159,050	97,133,979	(7,064,162)	107.84%
2005	86,040,778	112,040,111	9,447,143	102,592,968	(16,552,190)	119.24%
2004	74,771,736	115,449,490	7,711,039	107,738,451	(32,966,715)	144.09%

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>
2013	18,632	\$ 31,227	\$ 581,821,464	32.9	10,209	6.3%	7.2%	7.4%
2012	18,396	29,636	545,183,856	32.9	10,285	5.6%	6.9%	7.9%
2011	14,978	30,612	458,506,536	32.9	10,608	7.5%	9.0%	9.0%
2010	14,728	25,839	380,556,792	32.7	10,552	9.5%	10.4%	9.6%
2009	14,621	25,839	377,792,019	32.7	10,401	9.1%	11.1%	9.5%
2008	14,476	25,839	374,045,364	32.7	10,204	5.0%	6.7%	5.7%
2007	14,220	25,839	367,430,580	32.7	10,016	4.8%	5.5%	4.7%
2006	13,573	25,839	350,712,747	32.7	9,723	5.2%	5.9%	5.1%
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%

(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 EIGHT YEARS AGO

Employer	December 31, 2012		
	Employees	Rank	Percentage of Total City Employment
Pickerington Local School District	1,144	1	12.80%
Tamarkin Company, Inc.	296	2	3.31%
Kohl's Department Stores	278	3	3.11%
Kroger Company, Inc.	262	4	2.93%
Cracker Barrel Restaurant	252	5	2.82%
Kindred Nursing Center	154	6	1.72%
Wendy's	148	7	1.66%
City of Pickerington	147	8	1.65%
Steak N' Shake	117	9	1.31%
McDonalds	116	10	1.30%
Total	2,914		32.61%
Total Employment within the City	8,935		
Employer	December 31, 2004 (1)		
	Employees	Rank	
Pickerington Local School District	1,005	1	
Kroger Company	320	2	
Cracker Barrel Restaurant	259	3	
Kindred Nursing Care	146	4	
R.G. Barry Corporation	106	5	
American Motorcycle Association	105	6	
City of Pickerington	95	7	
Mount Carmel Health Care Providers	59	8	
Pediatric Associates	57	9	
Huntington National Bank	54	10	
Total	2,206		
Total Employment within the City (2)	n/a		

Source: City of Pickerington CAFR

(1) Calendar Year 2004 was the first year information was available.

(2) The total employment within the City was unavailable; therefore, the percentage of total city employment can not be calculated.

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

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

Type	2013	2012	2011	2010 (2)	2009 (1)	2008	2007 (1)	2006 (1)	2005 (1)	2004
Office - administrative	44.00	42.50	43.00	41.60	43.50	41.00	39.50	39.00	37.50	34.50
Professional - educational	598.43	587.89	654.00	680.24	676.29	687.10	640.40	591.40	558.80	515.55
Professional - other	23.70	23.70	30.30	27.78	25.60	24.40	25.40	22.10	22.10	16.40
Technical	15.47	16.00	18.50	16.50	13.50	12.50	12.50	12.50	13.00	12.41
Office - clerical	98.56	109.65	126.30	149.35	141.54	138.50	125.60	122.70	109.90	82.21
Craft & trade	12.00	10.00	13.00	12.00	11.00	9.00	9.00	9.00	7.00	7.00
Service worker/laborer	129.82	138.17	136.70	113.70	106.15	106.25	100.60	97.80	95.10	91.78
Total	921.98	927.91	1,021.80	1,041.17	1,017.58	1,018.75	953.00	894.50	843.40	759.85

Function	2013	2012	2011	2010	2009 (1)	2008	2007 (1)	2006 (1)	2005 (1)	2004 (2)
Instruction:										
Regular	438.20	452.85	520.50	526.07	542.12	552.45	523.10	481.70	476.10	428.25
Special	86.53	83.00	97.20	91.60	89.55	85.35	72.50	66.00	47.90	38.00
Vocational	4.20	2.00	11.00	12.00	12.00	11.80	11.50	12.10	9.70	10.00
Support Services:										
Pupil	186.27	182.72	183.20	181.83	174.26	173.40	169.00	163.40	144.80	52.90
Instructional staff	21.00	26.50	26.50	40.37	19.50	20.50	19.30	18.50	18.80	73.12
Administration	46.75	42.71	43.60	47.60	48.00	45.00	33.00	32.00	30.00	61.30
Fiscal	8.00	8.00	8.00	9.00	8.00	9.00	9.00	9.00	9.00	9.00
Business	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00	2.00
Operations and maintenance	86.37	85.38	87.40	87.75	82.00	79.75	74.00	75.50	70.50	55.00
Food service operations	42.66	42.75	42.40	42.95	40.15	40.50	39.60	34.30	34.60	30.28
Total Governmental Activities	921.98	927.91	1,021.80	1,041.17	1,017.58	1,018.75	953.00	894.50	843.40	759.85

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): 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	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular and Special Enrollment (students) *	10,209	10,285	10,608	10,552	10,401	10,204	10,016	9,723	9,233	8,866
Graduates	N/A	847	844	728	722	669	659	663	606	554
Support services:										
Board of education										
Regular meetings per year	22	21	19	22	16	18	18	18	15	17
Special meetings per year	8	11	14	1	6	5	13	12	13	12
Administration										
Nonpayroll checks issued	5,137	5,265	5,690	6,203	6,337	6,222	6,984	6,702	7,680	7,638
Pupil transportation										
Avg. students transported daily	5,739	5,676	5,841	5,783	5,974	6,327	6,538	5,973	5,457	5,413
Food service operations										
Meals served to students	1,085,356	1,091,064	1,157,080	1,214,930	1,089,654	1,032,376	1,013,039	992,018	928,798	928,457

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

N/A: Information is not available.

Source: District records

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Land	\$ 9,185,480	\$ 9,185,480	\$ 9,300,237	\$ 9,300,237	\$ 7,754,673
Land improvements	11,406,066	12,318,155	11,612,655	12,468,688	8,137,713
Buildings and improvements	155,897,125	156,486,259	120,185,213	125,387,591	87,381,727
Furniture and equipment	3,544,974	3,084,058	1,695,973	1,928,096	1,289,372
Vehicles	572,976	765,986	774,935	877,912	574,298
Construction in progress	-	-	19,821,028	2,692,206	50,924,298
Total Governmental Activities Capital Assets, net	<u>\$ 180,606,621</u>	<u>\$ 181,839,938</u>	<u>\$ 163,390,041</u>	<u>\$ 152,654,730</u>	<u>\$156,062,081</u>

Source: School District financial records.

(1) Amounts for fiscal year 2012 have been restated due to a new appraisal performed by the District.

Note: Amounts above are presented net of accumulated depreciation.

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 7,645,730	\$ 7,645,730	\$ 6,090,899	\$ 6,090,899	\$ 6,090,899
7,921,473	8,498,320	9,072,627	8,636,895	9,141,608
91,302,686	95,223,643	97,451,837	101,362,695	105,241,129
1,469,165	1,585,862	1,791,751	1,967,504	2,184,931
583,289	686,636	614,412	513,598	149,174
17,435,869	1,158,379	-	278,952	-
<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>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2013	2012	2011	2010	2009	2008
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	417	392	423	420	778	785
Fairfield Elementary (1980)						
Square feet	48,435	48,435	48,435	48,435	48,435	48,435
Capacity (students)	387	387	387	387	387	387
Enrollment	439	431	507	535	783	769
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	572	572	572	572	372	372
Enrollment	527	512	551	545	745	740
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	556	596	634	670	808	790
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	369	406	368	395	662	675
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	550	542	546	572	837	751
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	598	615	592	604	846	807
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	821	841	870	808	772	819
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	836	862	908	841	865	875
Pickerington Central High School (1991)						
Square feet	261,099	261,099	245,652	245,652	245,652	245,652
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,630	1,633	1,647	1,619	1,566	1,458
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	1,782	1,759	1,838	1,830	1,739	1,735
Sycamore Creek Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	N/A	N/A
Capacity (students)	750	750	750	750	N/A	N/A
Enrollment	693	689	704	653	N/A	N/A
Toll Gate Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	N/A	N/A
Capacity (students)	774	774	774	774	N/A	N/A
Enrollment	508	536	559	565	N/A	N/A
Toll Gate Middle School (2009)						
Square feet	101,867	101,867	101,867	101,867	N/A	N/A
Capacity (students)	800	800	800	800	N/A	N/A
Enrollment	483	471	461	495	N/A	N/A
Total enrollment by year	10,209	10,285	10,608	10,552	10,401	10,204

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

Notes: Year of original construction is in parentheses.

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

- (1) Heritage Elementary operates as a "swing" building. Heritage accommodated middle school students during school years 1996-2000, K-4 students for school years 2002-2003, K-5 students for school year 2005 and K-6 students for school year 2006.
- (2) During school year 2001 Heritage was closed for renovations.

2007	2006	2005	2004
92,544	92,544	92,544	92,544
771	771	771	771
736	869	655	576
48,435	48,435	48,435	48,435
787	787	787	787
767	696	659	643
46,516	46,516	46,516	46,516
372	372	372	372
729	773	860	739
75,501	75,501	75,501	75,501
653	653	653	653
811	844	789	820
46,516	46,516	46,516	46,516
372	372	372	372
700	721	747	732
94,951	94,951	94,951	94,951
693	693	693	693
725	684	681	689
89,211	89,211	89,211	89,211
656	656	656	656
850	646	632	679
115,851	115,851	115,851	115,851
821	821	821	821
823	719	637	599
142,082	142,082	142,082	142,082
1,008	1,008	1,008	1,008
860	879	809	801
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
1,349	1,216	1,088	1,170
323,473	323,473	323,473	323,473
1,937	1,937	1,937	1,937
1,666	1,676	1,676	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	N/A
10,016	9,723	9,233	8,866

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

EDUCATIONAL INDICATORS
LAST TEN FISCAL YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
3rd Grade Achievement										
(Initiated March, 2005)										
Reading	90.3%	88.8%	87.4%	89.1%	89.7%	89.9%	90.6%	90.6%	90.9%	92.8%
Mathematics	88.1%	88.5%	87.6%	80.3%	87.2%	87.8%	87.0%	83.8%	80.8%	N/A
4th Grade Proficiency/Achievement										
(Initiated March, 1995)										
Reading	95.6%	89.2%	90.7%	90.4%	90.8%	93.2%	89.0%	89.5%	89.7%	87.5%
Writing	N/A	N/A	N/A	N/A	93.6%	93.2%	90.5%	93.1%	90.3%	91.0%
Mathematics	90.9%	87.1%	86.6%	82.2%	85.5%	83.1%	84.7%	89.7%	82.0%	82.9%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.7%	79.7%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	83.2%	79.3%
5th Grade Achievement										
(Initiated March, 2005)										
Reading	85.8%	89.3%	88.8%	81.7%	83.3%	85.1%	89.5%	87.0%	89.6%	N/A
Mathematics	82.7%	84.3%	79.1%	81.2%	77.2%	75.1%	71.1%	72.3%	N/A	N/A
Science	82.7%	86.7%	84.9%	84.9%	85.9%	82.2%	82.0%	N/A	N/A	N/A
Citizenship	N/A	N/A	N/A	N/A	80.2%	83.5%	74.8%	N/A	N/A	N/A
6th Grade Proficiency/Achievement										
(Initiated March, 1996)										
Reading	93.0%	96.6%	94.6%	91.9%	91.7%	93.7%	89.4%	94.6%	84.2%	85.5%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.6%	97.2%
Mathematics	88.1%	91.9%	88.7%	85.4%	85.2%	89.4%	82.0%	74.7%	80.7%	87.6%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.6%	83.1%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	88.5%	88.5%
7th Grade Achievement										
(Initiated March, 2005)										
Reading	91.6%	93.0%	89.2%	90.6%	90.9%	88.8%	89.5%	91.2%	N/A	N/A
Mathematics	80.6%	80.4%	79.4%	75.7%	82.8%	76.3%	79.2%	74.8%	71.3%	N/A
Writing	N/A	N/A	N/A	N/A	96.8%	95.2%	93.0%	N/A	N/A	N/A
8th Grade Achievement										
(Initiated March, 2005)										
Reading	93.2%	92.8%	94.3%	90.8%	84.7%	82.8%	92.5%	88.7%	90.4%	N/A
Mathematics	84.6%	86.6%	83.2%	74.0%	78.6%	80.1%	86.2%	81.5%	74.0%	N/A
Science	80.6%	82.8%	78.1%	78.2%	77.7%	77.6%	81.7%	N/A	N/A	N/A
Citizenship	N/A	N/A	N/A	N/A	68.9%	70.4%	70.7%	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	N/A	N/A	N/A	97.9%
Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	97.3%
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	91.8%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.9%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95.6%
10th Grade Ohio Graduation Test (OGT):										
(Initiated March, 2005)										
Reading	95.2%	94.1%	93.6%	90.3%	92.4%	91.4%	94.1%	96.3%	97.2%	N/A
Writing	91.5%	92.9%	95.2%	91.0%	97.8%	91.5%	94.8%	96.0%	93.0%	N/A
Mathematics	92.6%	90.3%	91.0%	88.9%	91.8%	90.4%	93.0%	93.6%	92.7%	N/A
Science	88.1%	88.1%	85.4%	81.2%	89.2%	84.8%	84.3%	88.8%	87.8%	N/A
Social Studies	91.7%	90.2%	89.7%	88.4%	93.1%	88.1%	87.1%	91.6%	89.8%	N/A
ODE Per Pupil Costs										
Pickerington	N/A	N/A	\$ 9,865	\$ 9,876	\$ 9,623	\$ 9,299	\$ 8,917	\$ 8,834	\$ 8,346	\$ 7,998
State	N/A	N/A	\$ 10,571	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586	\$ 9,356	\$ 9,048	\$ 8,758
Pupil/Teacher Ratio	N/A	N/A	N/A	N/A	N/A	19.10	20.50	20.20	21.00	21.40
Student Attendance Rate	>95%	95.8%	95.5%	95.4%	95.5%	95.7%	96.4%	96.4%	96.6%	96.6%
High School Graduation Rate	95.0%	91.2%	96.6%	96.6%	95.0%	97.7%	97.9%	98.1%	97.1%	95.8%
Performance Standards										
Pickerington	24	26	26	25	29	29	27	22	21	18
Number of Standards	24	26	26	26	30	30	30	25	23	18
Rating	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent	Excellent with Distinction	Excellent with Distinction	Continuous Improvement	Excellent	Effective	Excellent
Performance Index Score	103.3	103.5	102.8	100.7	101.8	100.9	100.0	101.1	99.7	99.5

Note: Data for items marked "N/A" are either unavailable or not applicable for the respective reporting period.

Sources: School District records and Ohio Department of Education

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government	Governmental Activities	Enrollment (2)	Percent Change	Teaching Staff
	Expenditures (1)	Expenses (1)			
2013	\$ 106,325,880	\$ 107,525,936	10,209	-0.74%	618
2012	124,446,976	104,534,767	10,285	-3.04%	613
2011	124,378,812	114,076,500	10,608	0.53%	688
2010	113,012,991	116,640,204	10,552	1.45%	707
2009	134,088,893	104,661,487	10,401	1.93%	710
2008	111,746,467	100,339,040	10,204	1.88%	709
2007	94,554,987	94,489,579	10,016	3.01%	689
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

Sources: District records and the Ohio Department of Education

(1) Debt Service totals have been excluded.

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

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

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

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Pickerington Local School District Fairfield County, Ohio

Independent Auditors' Reports on
Compliance and Internal Controls and
Schedule of Expenditures of Federal Awards
June 30, 2013

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Pickerington Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Federal Agency/ Pass Through Agency/ Program Title	Federal CFDA Number	Grant Year	Receipts	Disbursements
<u>U.S. Department of Agriculture:</u>				
<i>Passed through Ohio Department of Education:</i>				
Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2013	\$ 277,699	\$ 218,510
Cash Assistance:				
National School Breakfast Program	10.553	2013	148,895	148,895
National School Lunch Program	10.555	2013	<u>1,336,661</u>	<u>1,336,661</u>
Total Nutrition Cluster			<u>1,763,255</u>	<u>1,704,066</u>
Total US Department of Agriculture			<u>1,763,255</u>	<u>1,704,066</u>
<u>U.S. Department of Education:</u>				
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Education Agencies	84.010	2012	(1,073)	5,992
		2013	<u>661,050</u>	<u>622,259</u>
Total Title I Grants to Local Education Agencies			659,977	628,251
Special Education Grants to States	84.027	2012	200,320	233,117
		2013	<u>1,213,770</u>	<u>1,201,005</u>
Total Special Education Grants to States			1,414,090	1,434,122
Educational Technology State Grants	84.318	2012	2,280	3,580
Improving Teacher Quality State Grants	84.367	2012	(4,960)	3,860
		2013	<u>109,624</u>	<u>105,140</u>
Total Improving Teacher Quality State Grants			104,664	109,000
English Language Acquisition Grants	84.365	2012	1,183	1,941
		2013	<u>65,983</u>	<u>64,583</u>
Total English Language Acquisition Grants			67,166	66,524
Twenty-First Century Community Learning Centers	84.287	2012	-	26,191
		2013	<u>66,465</u>	<u>95,420</u>
Total Twenty-First Century Community Learning Centers			66,465	121,611
Education Jobs Fund	84.410	2012	366,479	366,486
Race to the Top - ARRA	84.395	2012	6,802	15,902
		2013	<u>109,744</u>	<u>93,849</u>
Total Race to the Top - ARRA			<u>116,546</u>	<u>109,751</u>
Total U.S. Department of Education			<u>2,797,667</u>	<u>2,839,325</u>
Total Federal Assistance			<u>\$ 4,560,922</u>	<u>\$ 4,543,391</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

1. Significant Accounting Policies:

The accompanying schedule of expenditures of federal awards is a summary of the federal awards programs of the Pickerington Local School District. This schedule has been prepared on the cash basis of accounting.

2. U.S. Department of Agriculture Programs:

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2013 the District had no significant food commodities in inventory.

3. Matching Requirements:

Certain federal programs require the School District to contribute non-federal funds (matching funds) to support federally-funded programs. The District has complied with the matching requirements. The expenditure of non-federal (matching) funds is not included on the Schedule of Expenditures of Federal Awards.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Pickerington Local School District (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon December 27, 2013 wherein we noted the District implemented the provisions of GASB Statement No. 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described as item 2013-001 in the accompanying schedule of findings and questioned costs, which we consider to be a significant deficiency.

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Compliance and Other Matters

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

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Clark, Schaefer, Hackett & Co." The signature is written in black ink on a light-colored background.

Springfield, Ohio
December 27, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Pickerington Local School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Springfield, Ohio
December 27, 2013

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? None noted

Identification of major programs:

Nutrition Cluster:

- CFDA 10.553 – National School Breakfast Program
- CFDA 10.555 – National School Lunch Program

CFDA 84.395 – Race to the Top - ARRA

Dollar threshold to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II – Financial Statement Findings

Finding 2013-001 – Audit Adjustments

The District's management is responsible for designing and implementing internal controls over financial reporting which provides reasonable assurance of the integrity of the financial reporting process, the safeguarding of assets and compliance with applicable laws, regulations and contracts.

During the audit, adjustments were noted for intergovernmental receivable and the related revenues on the fund financial statements and capital assets on the government-wide financial statements. The District posted the necessary adjustment to the financial statements once notified.

We recommend the District review the procedures and controls in place to prepare its annual financial statements to ensure the internal control environment is sufficient to identify potential misstatements during the preparation of the annual financial statements. The annual audit process should not be considered part of the internal controls to detect misstatements in the amounts reported on the financial statements.

Management response: District Management recognizes the importance of publishing accurate and reliable financial statements that our constituents can rely upon to make sound judgments about how District resources are being managed. That being said, it is critical for District Management to take the constructive criticism offered by our auditors into account when analyzing how the financial statements are compiled and reported.

This report level comment will be carefully considered as District Management works with its GAAP compiler in future years, and District Management will strive to ameliorate the finding by instituting a more accurate internal review and more stringent control procedures to insure that future financial statements are as accurate and reliable as possible.

Section III – Federal Awards Findings and Questioned Costs

None reported.

Finding 2012-001 – Audit Adjustments

Adjustments to certain contracts payable and capital assets were made to the District's financial statements.

Status: Repeated for adjustments required to different components of the financial statements (see finding 2012-001).

Independent Auditors' Report on Applying Agreed-Upon Procedure

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

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Pickerington Local School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy on May 7, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or through "electronic communications".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.



Springfield, Ohio
December 27, 2013

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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 13, 2014**