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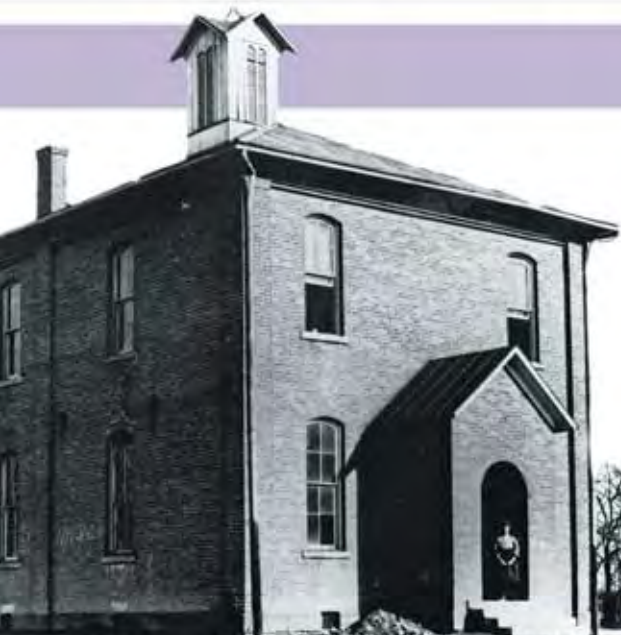


**Comprehensive Annual**

**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, 2014

*Celebrating Excellence Since 1909*





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Pickerington Local School District, Fairfield County, prepared by Julian & Grube, Inc., for the audit period July 1, 2013 through June 30, 2014. 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

March 16, 2015

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COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF THE

PICKERINGTON LOCAL  
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2014

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, 2014

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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 26, 2014

*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, 2014 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, 2014, were audited by Julian and Grube, 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, 2014. The District had approximately 10,116 students enrolled during the 2013-14 school year.

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

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

*“Our mission is to provide all children an efficient and nurturing educational environment which creates life-long learners who are socially responsible citizens. We believe children are our primary focus.”*

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

#### Internal Control:

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

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

The concept of reasonable assurance recognizes that:

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

Management believes that the District's internal controls adequately meet the above objectives.

#### Budgetary Controls:

In addition to the internal controls mentioned above, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of all funds (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 ("ELL"), 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.

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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 2014, the District compiled the following results on the various components of the state report card:

- **ACHIEVEMENT:** Performance Index: 85.3% B; Indicators Met: 83.3% B
- **GAP CLOSING:** Annual Measurable Objectives: 70.6% C
- **PROGRESS:** Overall Value Added: A; Gifted Value Added: D; Lowest 20% in Achievement Value Added: C; Students with Disabilities Value Added: C
- **GRADUATION RATES:** 95.4% of Students Graduated in 4 Years: A; 96.5% of Students Graduation in 5 Years: A

Future versions of report cards will also provide grades in the following areas: K-3 Literacy; Financial Data; and Prepared for Success Data.

### 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 21<sup>st</sup> 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.

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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 (8<sup>th</sup>) 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 21<sup>st</sup> 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.

Technology has continued to advance and the District has made great strides in terms of enhancing instruction by updating existing technological equipment and infrastructure. The District has made a substantial financial commitment to improving the ability 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.

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.

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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: improving student achievement in reading and mathematics, specifically with regards to narrowing the gaps for the following subgroups: students with disabilities; socio-economic status; and racial or ethnic status; and, hiring of teachers who are highly qualified. Strategies and action steps that support this goal are developed to provide a structure for expending funds for the following programs - Title I (Disadvantaged), Title II-A (Improving Teacher Quality), Title III (Limited English Proficient), Title III (Immigrant), Title IV (Safe and Drug-Free Schools), Title VI-B (IDEA - Part B Special Education). The District’s current CCIP was approved by the Ohio Department of Education, Office of Federal Programs in July 2013.

Grants Programs: Staff members continue to seek grant funding to increase instructional and professional opportunities. At the end of FY 2014, the District was awarded nearly \$1.1 million in Straight A Grant funds to enhance STEM programming, in the fields of Engineering/Fabrication and Allied Health Pathways. The Straight A Grant will greatly enhance curricular offerings and programming in the areas of Engineering and Allied Health pathways for students. According to many studies, careers in these areas will be some of the most vital to our economy in the coming years. The District believes that this programming will ensure that many of its students are adequately prepared to successfully contribute to a highly technical 21<sup>st</sup> century economy.

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 1,421 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 87 teachers that provide cross-categorical resource room services, inclusion support in the regular classroom, or a combination of both.

These classrooms are supported by a well-experienced related services and support staff consisting of six school psychologists, nearly 10 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, 52 teaching aides, and 5 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 121 preschoolers with disabilities. 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.

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## 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 45.3% (for the 2013-2014 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 \$3.5M in the first year of the biennial budget ('13-14 school year over the '12-13 school year), and \$4.4M 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, 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.

In August of 2014, District management met with Moody's to secure rating for a bond refunding. The District secured an Aa2 rating. The Aa2 rating reflects the district's moderately-sized, suburban tax base which benefits from its proximity to the City of Columbus (Aaa stable). Also incorporated in the rating is the district's satisfactory financial position which is expected to remain healthy over the medium term; its above average socioeconomic characteristics; flattening enrollment trends; above average debt burden; and elevated exposure to underfunded pension plans.

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Moody's also identified the following strengths and challenges:

#### STRENGTHS

- Suburban Columbus tax base with above average resident wealth levels
- Relatively diverse operating revenues including income taxes
- Satisfactory General Fund cash reserves expected to remain healthy over the medium term

#### CHALLENGES

- Recent stagnant tax base valuation trends
- Flattening enrollment following a period of significant expansion
- Above average debt levels due to heavy capital borrowing
- Exposure to two significantly underfunded statewide cost-sharing pension plans

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, 2013. 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, 2014 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, 2014

Board of Education Members

President  
Vice President  
Member  
Member  
Member

Dr. Jim Brink  
Ms. Lori Sanders  
Ms. Vanessa Niekamp  
Ms Cathy Olshefski  
Ms. Lisa Reade

Appointed Officials

Superintendent  
Treasurer

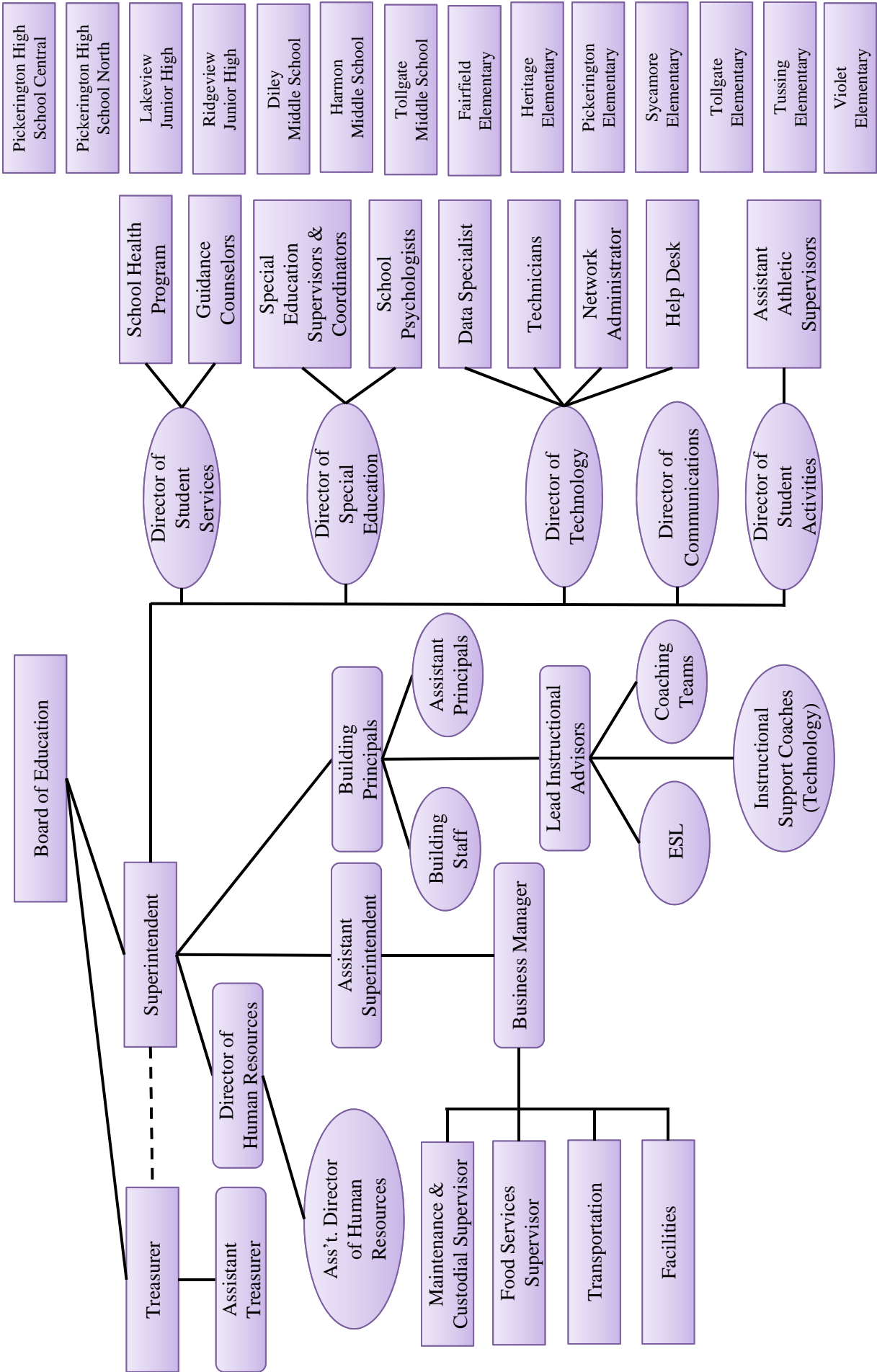
Rob Walker  
Ryan Jenkins

Administrative Staff

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

Bob Blackburn  
Debra Porter-Sawyer  
Mark Aprile  
Keltah Houser-Siders  
W. Vince Utterback  
Kiya Hunt  
Stacy Tennenbaum  
Jeff Clark  
Susan Caudill  
Heather Hedgepeth  
Kara Jackson  
Lee Ann Yoakum  
Ruth Stickel  
Jennifer Russell  
Melissa Moriarty  
Jeannette Henson  
Becky Hornberger  
Kristi Motsch  
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, 2013**

Executive Director/CEO

## FINANCIAL SECTION

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# Julian & Grube, Inc.

*Serving Ohio Local Governments*

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

## Independent Auditor's Report

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

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Pickerington Local School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Board of Education  
Pickerington Local School District

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the Pickerington Local School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2014, on our consideration of the Pickerington Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pickerington Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
December 26, 2014

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(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, 2014. 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 2014 are as follows:

- Net position of governmental activities increased \$1,430,453 which represents a 1.80% increase from 2013.
- General revenues accounted for \$110,895,019 in revenue or 87.01% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,549,902 or 12.99% for total revenues of \$127,444,921.
- The District had \$126,014,468 in expenses related to governmental activities; only \$16,549,902 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 \$110,895,019 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 \$105,581,479 in revenues and other financing sources and \$99,730,708 in expenditures and other financing uses. During fiscal year 2014, the general fund's balance increased \$5,850,771 from a balance of \$16,286,751 to a balance of \$22,137,522.
- The district debt service fund had \$14,140,639 in revenues and \$14,413,468 in expenditures. The district debt service fund's balance decreased \$272,829 from \$15,201,724 to \$14,928,895.

**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, 2014  
(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 2014?" 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, 2014  
(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 55 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, 2014 and June 30, 2013.

	<b>Net Position</b>	
	Governmental Activities 2014	Governmental Activities 2013
<b><u>Assets</u></b>		
Current and other assets	\$ 107,406,445	\$ 106,097,036
Capital assets, net	<u>172,777,504</u>	<u>180,606,621</u>
Total assets	<u>280,183,949</u>	<u>286,703,657</u>
<b><u>Deferred outflows of resources</u></b>	<u>1,954,290</u>	<u>2,106,711</u>
<b><u>Liabilities</u></b>		
Current liabilities	14,229,404	12,657,618
Long-term liabilities	<u>144,384,443</u>	<u>151,379,053</u>
Total liabilities	<u>158,613,847</u>	<u>164,036,671</u>
<b><u>Deferred inflows of resources</u></b>	<u>42,558,417</u>	<u>45,238,175</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	49,003,234	50,969,833
Restricted	13,471,914	14,188,211
Unrestricted	<u>18,490,827</u>	<u>14,377,478</u>
Total net position	<u>\$ 80,965,975</u>	<u>\$ 79,535,522</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$80,965,975. At fiscal year-end, restricted net position was \$13,471,914.

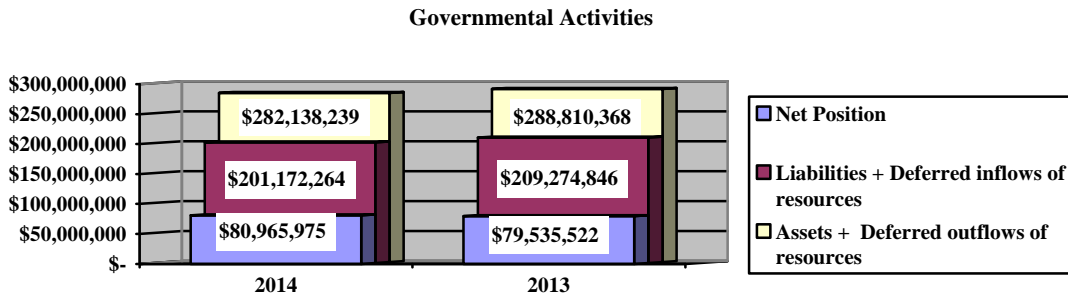
**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

At fiscal year-end, capital assets represented 61.24% of total assets and deferred outflows of resources. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2014 was \$49,003,234. 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, \$13,471,914, represents resources that are subject to external restriction on how they may be used. Of this amount, \$3,597,940 is restricted for capital projects, \$3,771,564 is restricted for classroom facilities maintenance and \$3,562,647 is restricted for debt service. The remaining balance of unrestricted net position is \$18,490,827.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2014 and June 30, 2013.



The table below shows the change in net position for fiscal years 2014 and 2013.

	<b>Change in Net Position</b>	
	Governmental Activities 2014	Governmental Activities 2013
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 5,782,593	\$ 5,923,538
Operating grants and contributions	10,767,309	7,900,829
General revenues:		
Property taxes	48,266,622	48,690,658
School district income taxes	15,270,666	14,590,961
Grants and entitlements not restricted	46,905,607	46,307,569
Payment in lieu of taxes	125,277	250,434
Investment earnings	107,548	109,951
Other	219,299	141,291
Total revenues	<u>127,444,921</u>	<u>123,915,231</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

**Change in Net Position**

<u>Expenses</u>	Governmental Activities <u>2014</u>	Governmental Activities <u>2013</u>
Program expenses:		
Instruction:		
Regular	\$ 54,421,633	\$ 48,191,201
Special	13,059,009	8,872,090
Vocational	413,924	332,180
Other	3,833,072	3,852,328
Support services:		
Pupil	6,284,145	5,481,281
Instructional staff	5,024,779	6,283,346
Board of education	670,829	509,010
Administration	7,957,351	7,878,590
Fiscal	1,988,705	1,928,272
Business	399,604	552,441
Operations and maintenance	10,989,488	10,547,461
Pupil transportation	5,811,014	5,335,857
Central	65,492	85,766
Operation of non-instructional services:		
Other non-instructional services	628,776	444,275
Food service operations	5,067,549	4,795,927
Extracurricular activities	2,576,374	2,435,911
Interest and fiscal charges	<u>6,822,724</u>	<u>7,277,760</u>
Total expenses	<u>126,014,468</u>	<u>114,803,696</u>
Change in net position	1,430,453	9,111,535
Net position at beginning of year	<u>79,535,522</u>	<u>70,423,987</u>
Net position at end of year	<u>\$ 80,965,975</u>	<u>\$ 79,535,522</u>

**Governmental Activities**

Net position of the District's governmental activities increased \$1,430,453. Total governmental expenses of \$126,014,468 were offset by program revenues of \$16,549,902 and general revenues of \$110,895,019. Program revenues supported 13.13% of the total governmental expenses. The increase in total governmental expenses can be attributed to the increased costs associated with the new school buildings related to the OSFC project which was recently finished. These schools required additional staffing which created an increase in personal services in the form of employee salaries and wages from the prior year.

The increase in program revenues is attributable to an increase in state foundation funding in the general fund as well as federal money received through grant funds such as Race to the Top and Title I.

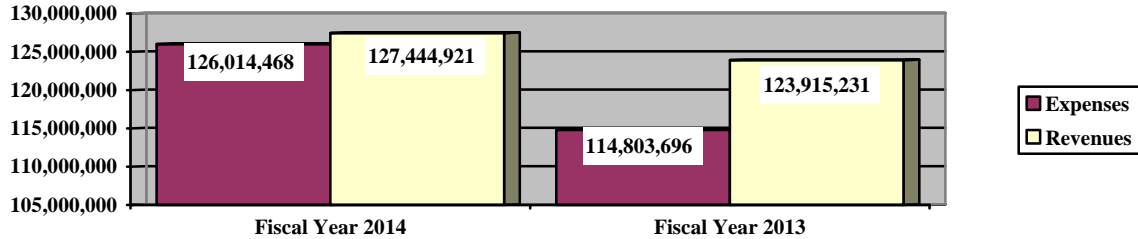
The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and unrestricted and restricted grants and entitlements from the State of Ohio. These revenue sources represent 86.66% of total governmental revenue.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

The graph below presents the District's governmental activities revenues and expenses for fiscal year 2014 and 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.

**Governmental Activities**

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 54,421,633	\$ 52,130,461	\$ 48,191,201	\$ 46,588,024
Special	13,059,009	6,608,329	8,872,090	5,279,579
Vocational	413,924	305,637	332,180	170,721
Other	3,833,072	3,833,072	3,852,328	3,852,328
Support services:				
Pupil	6,284,145	6,106,584	5,481,281	5,200,460
Instructional staff	5,024,779	4,857,006	6,283,346	5,583,667
Board of education	670,829	670,829	509,010	509,010
Administration	7,957,351	7,886,528	7,878,590	7,774,040
Fiscal	1,988,705	1,988,705	1,928,272	1,928,272
Business	399,604	399,604	552,441	552,441
Operations and maintenance	10,989,488	10,637,792	10,547,461	10,134,009
Pupil transportation	5,811,014	5,513,136	5,335,857	5,046,458
Central	65,492	65,492	85,766	85,766
Operations of non-instructional services:				
Other non-instructional services	628,776	107,302	444,275	(4,372)
Food service operations	5,067,549	750,528	4,795,927	465,021
Extracurricular activities	2,576,374	780,837	2,435,911	536,145
Interest and fiscal charges	<u>6,822,724</u>	<u>6,822,724</u>	<u>7,277,760</u>	<u>7,277,760</u>
<b>Total expenses</b>	<b>\$ <u>126,014,468</u></b>	<b>\$ <u>109,464,566</u></b>	<b>\$ <u>114,803,696</u></b>	<b>\$ <u>100,979,329</u></b>



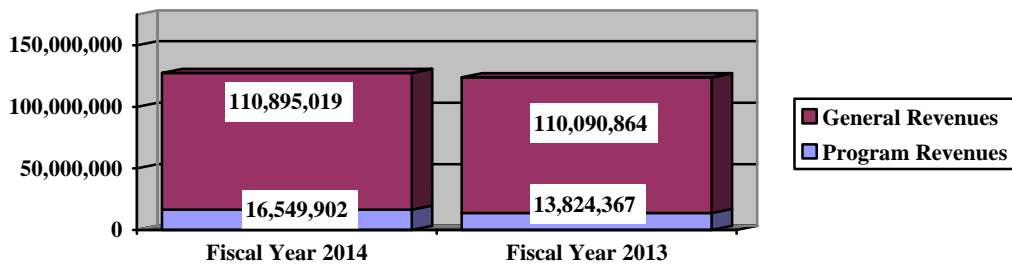
**PICKERINGTON LOCAL SCHOOL DISTRICT  
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

The dependence upon tax and other general revenues for governmental activities is apparent, as 87.66% of instruction activities are supported through taxes and other general revenues which includes State aid. For all governmental activities, general revenue support is 86.87%. 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 2014 and 2013.

**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 \$46,165,333, which is more than last year's total of \$43,555,260. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and June 30, 2013.

	Fund Balance June 30, 2014	Fund Balance June 30, 2013	Increase/ (Decrease)
General	\$ 22,137,522	\$ 16,286,751	\$ 5,850,771
District debt service	14,928,895	15,201,724	(272,829)
Other governmental	9,098,916	12,066,785	(2,967,869)
<b>Total</b>	<b>\$ 46,165,333</b>	<b>\$ 43,555,260</b>	<b>\$ 2,610,073</b>

**General Fund**

The following tables show the changes in revenues and expenditures in the general fund from 2014 and 2013.

	2014 Amount	2013 Amount	Increase/ (Decrease)	Percentage Change
<b>Revenues</b>				
Taxes	\$ 50,884,091	\$ 49,675,874	\$ 1,208,217	2.43 %
Tuition	466,186	691,700	(225,514)	(32.60) %
Earnings on investments	108,532	102,980	5,552	5.39 %
Intergovernmental	50,661,726	47,107,266	3,554,460	7.55 %
Other revenues	1,791,025	1,765,729	25,296	1.43 %
<b>Total</b>	<b>\$ 103,911,560</b>	<b>\$ 99,343,549</b>	<b>\$ 4,568,011</b>	<b>4.60 %</b>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

	2014 <u>Amount</u>	2013 <u>Amount</u>	Increase/ (Decrease)	Percentage Change
<b><u>Expenditures</u></b>				
Instruction	\$ 59,049,385	\$ 53,518,297	\$ 5,531,088	10.33 %
Support services	35,173,057	35,203,179	(30,122)	(0.09) %
Operation of non-instructional services	92,187	57,293	34,894	60.90 %
Extracurricular activities	1,729,532	1,651,993	77,539	4.69 %
Facilities acquisition and construction	99,286	2,313	96,973	4,192.52 %
Capital outlay	1,669,919	925,275	744,644	80.48 %
Debt service	917,342	170,725	746,617	437.32 %
Total	<u>\$ 98,730,708</u>	<u>\$ 91,529,075</u>	<u>\$ 7,201,633</u>	7.87 %

Overall revenues of the general fund increased \$4,568,011 or 4.60%. The most significant increases were in the areas of taxes and intergovernmental revenues. The increase of \$1,208,217 in property taxes is attributable to the amount of taxes collected and available to the District as an advance at the end of the fiscal year. The amount of tax advances available from the county auditor can vary depending upon when tax bills are mailed. Intergovernmental increased \$3,554,460 due to an increase in money received through the state's Foundation Program.

Expenditures of the general fund increased \$7,201,633 or 7.87%. This increase in expenditures is primarily due an increase in instruction expenditures, specifically regular and special instruction, from the prior year. These instructional expenditures increased primarily due to an increase in personal services in the form of employee salaries and wages as a result of an increase in employees from the prior year as well as the District granting raises of 2.50% to certified and classified employees.

***District Debt Service Fund***

The District's district debt service fund balance decreased \$272,829. 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.

	2014 <u>Amount</u>	2013 <u>Amount</u>	Increase/ (Decrease)	Percentage Change
<b><u>Revenues</u></b>				
Taxes	\$ 12,568,034	\$ 13,065,187	\$ (497,153)	(3.81) %
Intergovernmental	<u>1,572,605</u>	<u>1,652,841</u>	<u>(80,236)</u>	(4.85) %
Total	<u>\$ 14,140,639</u>	<u>\$ 14,718,028</u>	<u>\$ (577,389)</u>	(3.92) %
<b><u>Expenditures</u></b>				
Support services	\$ 222,668	\$ 218,641	\$ 4,027	1.84 %
Debt service	<u>14,190,800</u>	<u>14,860,000</u>	<u>(669,200)</u>	(4.50) %
Total	<u>\$ 14,413,468</u>	<u>\$ 15,078,641</u>	<u>\$ (665,173)</u>	(4.41) %

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(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 2014, the District amended the general fund's budget. For the general fund, original revenues and other financing sources of \$95,244,745 remained the same for the final budgeted revenues and other financing sources. Actual revenues and other financing sources for fiscal year 2014 were \$101,019,851. This represents a \$5,775,106 increase over final budgeted revenues. In accordance with State statute, estimated revenues are required to be amended if additional amounts are intended to be appropriated.

General fund original appropriations (appropriated expenditures plus other financing uses) totaled \$96,779,106. Final appropriations increased \$2,251,879 to a total of \$99,030,985. The actual budget basis expenditures for fiscal year 2014 totaled \$99,013,905, which was \$17,080 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2014, the District had \$172,777,504 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, 2014 balances compared to June 30, 2013.

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

	Governmental Activities	
	2014	2013
Land	\$ 9,185,480	\$ 9,185,480
Land improvements	10,499,004	11,406,066
Building and improvements	149,498,761	155,897,125
Furniture and equipment	3,019,734	3,544,974
Vehicles	574,525	572,976
Total	<u>\$ 172,777,504</u>	<u>\$ 180,606,621</u>

The overall decrease in capital assets, net of depreciation, of \$7,829,117 is due to depreciation expense of \$8,098,437 exceeding capital additions of \$269,320 for fiscal year 2014.

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

***Debt Administration***

At June 30, 2014, the District had \$133,353,371 in general obligation bonds. Of this total, \$8,128,605 is due within one year and \$125,224,766 is due in greater than one year. The District also had \$2,685,485 outstanding for a lease purchase agreements. Of this amount, \$829,505 is due within one year and \$1,855,980 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, 2014  
(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>2014</u>	Governmental Activities <u>2013</u>
General obligation bonds	\$ 133,353,371	\$ 140,872,141
Lease purchase agreement	<u>2,685,485</u>	<u>1,841,453</u>
<b>Total</b>	<b><u>\$ 136,038,856</u></b>	<b><u>\$ 142,713,594</u></b>

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

**Current Financial Related Activities**

The District has continued to maintain the highest standards of service to students, parents, and community. The District is always presented with challenges and opportunities, which include the increasing demands of State and federal mandates such as 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 45.3% (for the 2013-2014 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 \$3.5M in the first year of the biennial budget ('13-14 school year over the '12-13 school year), and \$4.4M 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, 2014  
(UNAUDITED)**

Significant savings for the district were realized in the PEA negotiated agreement in regard to health insurance costs, and the financial forecast for the District reflects a 7.9% Board cap on annual health insurance premium increases. (Note: The current PEA agreement runs from July 1, 2013 through June 30, 2015). Though this does place a cap on the Board's year over year contribution rate, the increase is still one of the most significant costs for the Board in future years. By negotiating a decrease in the Board cap, the District has averted a substantial portion of the Cadillac Tax. Additionally, the district began self-funding its health insurance and dental programs on September 1, 2014. This shift allowed for a 2.68% decrease in health insurance premiums for the policy year beginning September 1, 2014. Additionally, many taxes and other surcharges passed on by the state of Ohio and the federal government via the Patient Protection and Affordable Care Act (PPACA) will be averted with self-insurance.

At this time, the district is still analyzing the effects of the Cadillac Tax. As previously mentioned, the plan year beginning September 1, 2014 had a 2.68% decrease in premium costs, and because of the move to self-insurance, future premium increases are forecasted at 6.50%. As of the writing of these assumptions, it seems that a trajectory of 6.50% will avert the Cadillac Tax for family plans, but will not avert the Cadillac Tax for single plans.

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

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.
- 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

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. Continued diligence will be needed in this area in the future.

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 2015 and future years.

**Contacting the District's Financial Management**

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

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

STATEMENT OF NET POSITION  
JUNE 30, 2014

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 51,478,185
Cash with fiscal agent . . . . .	21,881
Cash in segregated accounts . . . . .	209,504
Receivables:	
Property taxes . . . . .	47,571,472
Income taxes. . . . .	6,587,883
Payment in lieu of taxes . . . . .	125,277
Accrued interest . . . . .	17,665
Intergovernmental . . . . .	1,211,762
Prepayments . . . . .	122,676
Materials and supplies inventory. . . . .	60,140
Capital assets:	
Nondepreciable capital assets . . . . .	9,185,480
Depreciable capital assets, net. . . . .	163,592,024
Capital assets, net . . . . .	<u>172,777,504</u>
Total assets. . . . .	<u>280,183,949</u>
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	<u>1,954,290</u>
 <b>Liabilities:</b>	
Accounts payable. . . . .	2,256,752
Contracts payable. . . . .	409,771
Retainage payable . . . . .	209,504
Accrued wages and benefits payable . . . . .	8,706,122
Pension obligation payable. . . . .	1,648,437
Intergovernmental payable . . . . .	589,144
Accrued interest payable . . . . .	387,793
Matured bonds payable . . . . .	20,000
Matured interest payable . . . . .	1,881
Long-term liabilities:	
Due within one year. . . . .	9,672,654
Due in more than one year. . . . .	134,711,789
Total liabilities . . . . .	<u>158,613,847</u>
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . .	42,433,140
Payment in lieu of taxes levied for the next fiscal year. . . . .	<u>125,277</u>
Total deferred inflows of resources . . . . .	<u>42,558,417</u>
 <b>Net position:</b>	
Net investment in capital assets . . . . .	49,003,234
Restricted for:	
Capital projects . . . . .	3,597,940
Classroom facilities maintenance . . . . .	3,771,564
Debt service. . . . .	3,562,647
State funded programs. . . . .	909,555
Federally funded programs . . . . .	74,414
Student activities . . . . .	441,169
Other purposes . . . . .	1,114,625
Unrestricted . . . . .	18,490,827
Total net position. . . . .	<u>\$ 80,965,975</u>

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, 2014

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 54,421,633	\$ 319,741	\$ 1,971,431	\$ (52,130,461)
Special . . . . .	13,059,009	146,445	6,304,235	(6,608,329)
Vocational . . . . .	413,924	-	108,287	(305,637)
Other . . . . .	3,833,072	-	-	(3,833,072)
Support services:				
Pupil . . . . .	6,284,145	-	177,561	(6,106,584)
Instructional staff . . . . .	5,024,779	-	167,773	(4,857,006)
Board of education . . . . .	670,829	-	-	(670,829)
Administration . . . . .	7,957,351	-	70,823	(7,886,528)
Fiscal . . . . .	1,988,705	-	-	(1,988,705)
Business . . . . .	399,604	-	-	(399,604)
Operations and maintenance . . . . .	10,989,488	351,608	88	(10,637,792)
Pupil transportation . . . . .	5,811,014	-	297,878	(5,513,136)
Central . . . . .	65,492	-	-	(65,492)
Operation of non-instructional services:				
Other non-instructional services . . . . .	628,776	515,010	6,464	(107,302)
Food service operations . . . . .	5,067,549	2,708,492	1,608,529	(750,528)
Extracurricular activities . . . . .	2,576,374	1,741,297	54,240	(780,837)
Interest and fiscal charges . . . . .	6,822,724	-	-	(6,822,724)
<b>Total governmental activities . . . . .</b>	<b>\$ 126,014,468</b>	<b>\$ 5,782,593</b>	<b>\$ 10,767,309</b>	<b>(109,464,566)</b>
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				35,414,027
Debt service . . . . .				12,455,646
Facility maintenance . . . . .				396,949
Payments in lieu of taxes . . . . .				125,277
Income taxes levied for:				
General purposes . . . . .				15,270,666
Grants and entitlements not restricted				
to specific programs . . . . .				46,905,607
Investment earnings . . . . .				107,548
Miscellaneous . . . . .				219,299
<b>Total general revenues . . . . .</b>				<b>110,895,019</b>
Change in net position . . . . .				1,430,453
<b>Net position at beginning of year . . . . .</b>				<b>79,535,522</b>
<b>Net position at end of year . . . . .</b>				<b>\$ 80,965,975</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General	District Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 26,533,433	\$ 14,225,809	\$ 10,718,943	\$ 51,478,185
Cash with fiscal agent . . . . .	-	21,881	-	21,881
Cash in segregated accounts . . . . .	-	-	209,504	209,504
Receivables:				
Property taxes . . . . .	35,181,807	11,994,755	394,910	47,571,472
Income taxes . . . . .	6,587,883	-	-	6,587,883
Payment in lieu of taxes . . . . .	90,112	33,994	1,171	125,277
Accrued interest . . . . .	17,665	-	-	17,665
Intergovernmental . . . . .	209,361	-	1,002,401	1,211,762
Prepayments . . . . .	118,500	-	4,176	122,676
Materials and supplies inventory . . . . .	-	-	60,140	60,140
Due from other funds . . . . .	165,603	-	-	165,603
Total assets . . . . .	<u>\$ 68,904,364</u>	<u>\$ 26,276,439</u>	<u>\$ 12,391,245</u>	<u>\$ 107,572,048</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 1,795,087	\$ -	\$ 461,665	\$ 2,256,752
Contracts payable . . . . .	-	-	409,771	409,771
Retainage payable . . . . .	-	-	209,504	209,504
Accrued wages and benefits payable . . . . .	8,169,457	-	536,665	8,706,122
Compensated absences payable . . . . .	233,747	-	2,715	236,462
Intergovernmental payable . . . . .	580,271	-	8,873	589,144
Pension obligation payable . . . . .	1,520,131	-	128,306	1,648,437
Due to other funds . . . . .	-	-	165,603	165,603
Matured bonds payable . . . . .	-	20,000	-	20,000
Matured interest payable . . . . .	-	1,881	-	1,881
Total liabilities . . . . .	<u>12,298,693</u>	<u>21,881</u>	<u>1,923,102</u>	<u>14,243,676</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	31,394,181	10,686,914	352,045	42,433,140
Payment in lieu of taxes levied for the next fiscal year . . . . .	90,112	33,994	1,171	125,277
Delinquent property tax revenue not available . . . . .	1,773,807	604,755	19,910	2,398,472
Accrued interest not available . . . . .	12,114	-	-	12,114
Income tax revenue not available . . . . .	1,064,390	-	-	1,064,390
Intergovernmental revenue not available . . . . .	133,545	-	996,101	1,129,646
Total deferred inflows of resources . . . . .	<u>34,468,149</u>	<u>11,325,663</u>	<u>1,369,227</u>	<u>47,163,039</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	60,140	60,140
Prepays . . . . .	118,500	-	4,176	122,676
Restricted:				
Debt service . . . . .	-	14,928,895	187,606	15,116,501
Capital improvements . . . . .	-	-	4,065,656	4,065,656
Classroom facilities maintenance . . . . .	-	-	3,751,654	3,751,654
Food service operations . . . . .	-	-	1,108,557	1,108,557
Targeted academic assistance . . . . .	-	-	1,952	1,952
Other purposes . . . . .	-	-	157,636	157,636
Extracurricular activities . . . . .	-	-	441,169	441,169
Committed:				
Termination benefits . . . . .	3,624,257	-	-	3,624,257
Assigned:				
Student instruction . . . . .	22,829	-	-	22,829
Student and staff support . . . . .	1,226,890	-	-	1,226,890
Extracurricular activities . . . . .	75,154	-	-	75,154
Facilities acquisition and construction . . . . .	55,591	-	-	55,591
Other purposes . . . . .	442,171	-	-	442,171
Unassigned (deficit) . . . . .	16,572,130	-	(679,630)	15,892,500
Total fund balances . . . . .	<u>22,137,522</u>	<u>14,928,895</u>	<u>9,098,916</u>	<u>46,165,333</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 68,904,364</u>	<u>\$ 26,276,439</u>	<u>\$ 12,391,245</u>	<u>\$ 107,572,048</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014

<b>Total governmental fund balances</b>		\$	46,165,333
<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.			172,777,504
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	2,398,472	
Income taxes receivable		1,064,390	
Accrued interest receivable		12,114	
Intergovernmental receivable		1,129,646	
Total		4,604,622	4,604,622
Unamortized premiums on bonds issued are not recognized in the funds.			(3,211,945)
Unamortized deferred charges on debt refundings are not recognized in the funds.			1,954,290
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(387,793)
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		(133,353,371)	
Lease-purchase obligations		(2,685,485)	
Compensated absences		(4,897,180)	
Total		(140,936,036)	(140,936,036)
<b>Net position of governmental activities</b>		\$	80,965,975

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, 2014

	<u>General</u>	<u>District Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 35,605,904	\$ 12,534,040	\$ 443,014	\$ 48,582,958
Income taxes . . . . .	15,188,075	-	-	15,188,075
Payment in lieu of taxes . . . . .	90,112	33,994	1,171	125,277
Tuition . . . . .	466,186	-	-	466,186
Earnings on investments . . . . .	108,532	-	2,838	111,370
Charges for services . . . . .	-	-	2,708,492	2,708,492
Extracurricular . . . . .	777,339	-	497,486	1,274,825
Classroom materials and fees . . . . .	466,472	-	-	466,472
Rental income . . . . .	304,088	-	47,520	351,608
Contributions and donations . . . . .	37,752	-	71,614	109,366
Contract services . . . . .	-	-	515,010	515,010
Other local revenues . . . . .	205,374	-	93,899	299,273
Intergovernmental - state . . . . .	50,439,881	1,572,605	750,271	52,762,757
Intergovernmental - federal . . . . .	221,845	-	4,184,811	4,406,656
Total revenues . . . . .	<u>103,911,560</u>	<u>14,140,639</u>	<u>9,316,126</u>	<u>127,368,325</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	43,577,045	-	2,173,216	45,750,261
Special . . . . .	11,343,650	-	1,012,750	12,356,400
Vocational . . . . .	406,886	-	4,430	411,316
Other . . . . .	3,721,804	-	-	3,721,804
Support services:				
Pupil . . . . .	5,788,232	-	181,160	5,969,392
Instructional staff . . . . .	4,229,122	-	243,958	4,473,080
Board of education . . . . .	651,376	-	-	651,376
Administration . . . . .	7,455,729	-	74,520	7,530,249
Fiscal . . . . .	1,694,553	222,668	7,923	1,925,144
Business . . . . .	390,550	-	-	390,550
Operations and maintenance . . . . .	9,408,833	-	793,795	10,202,628
Pupil transportation . . . . .	5,491,863	-	7,989	5,499,852
Central . . . . .	62,799	-	794	63,593
Operation of non-instructional services:				
Other non-instructional services . . . . .	92,187	-	518,356	610,543
Food service operations . . . . .	-	-	4,163,019	4,163,019
Extracurricular activities . . . . .	1,729,532	-	621,331	2,350,863
Facilities acquisition and construction . . . . .	99,286	-	3,337,724	3,437,010
Capital outlay . . . . .	1,669,919	-	-	1,669,919
Debt service:				
Principal retirement . . . . .	825,887	9,225,000	135,000	10,185,887
Interest and fiscal charges . . . . .	91,455	4,965,800	8,030	5,065,285
Total expenditures . . . . .	<u>98,730,708</u>	<u>14,413,468</u>	<u>13,283,995</u>	<u>126,428,171</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>5,180,852</u>	<u>(272,829)</u>	<u>(3,967,869)</u>	<u>940,154</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	1,000,000	1,000,000
Transfers (out) . . . . .	(1,000,000)	-	-	(1,000,000)
Lease purchase transaction . . . . .	1,669,919	-	-	1,669,919
Total other financing sources (uses) . . . . .	<u>669,919</u>	<u>-</u>	<u>1,000,000</u>	<u>1,669,919</u>
Net change in fund balances . . . . .	5,850,771	(272,829)	(2,967,869)	2,610,073
<b>Fund balances at beginning of year . . . . .</b>	<u>16,286,751</u>	<u>15,201,724</u>	<u>12,066,785</u>	<u>43,555,260</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 22,137,522</u>	<u>\$ 14,928,895</u>	<u>\$ 9,098,916</u>	<u>\$ 46,165,333</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, 2014

<b>Net change in fund balances - total governmental funds</b>	\$	2,610,073
 <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	\$ 269,320	
Current year depreciation	(8,098,437)	
Total		(7,829,117)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(316,336)	
Income taxes	82,591	
Earnings on investments	(2,399)	
Intergovernmental	285,455	
Total		49,311
 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	9,360,000	
Lease-purchase obligations	825,887	
Total		10,185,887
 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		(1,669,919)
 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	6,308	
Accreted interest on capital appreciation bonds	(1,841,230)	
Amortization of bond premiums	229,904	
Amortization of deferred charges on debt refundings	(152,421)	
Total		(1,757,439)
 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.		
		(158,343)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>1,430,453</b>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 34,589,221	\$ 34,589,221	\$ 34,614,111	\$ 24,890
Income taxes. . . . .	14,357,756	14,357,756	14,963,888	606,132
Payment in lieu of taxes. . . . .	91,844	91,844	90,112	(1,732)
Tuition. . . . .	629,212	629,212	420,731	(208,481)
Earnings on investments . . . . .	87,419	87,419	109,529	22,110
Rental income . . . . .	1,108	1,108	282	(826)
Contract services. . . . .	-	-	37,320	37,320
Other local revenues . . . . .	10,998	10,998	19,992	8,994
Intergovernmental - state . . . . .	45,313,959	45,313,959	50,437,749	5,123,790
Intergovernmental - federal . . . . .	159,940	159,940	221,845	61,905
Total revenues . . . . .	<u>95,241,457</u>	<u>95,241,457</u>	<u>100,915,559</u>	<u>5,674,102</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	43,469,794	43,701,791	43,700,842	949
Special. . . . .	11,135,302	11,175,442	11,175,442	-
Vocational. . . . .	424,481	444,363	444,363	-
Other. . . . .	3,513,226	3,624,461	3,624,461	-
Support services:				
Pupil. . . . .	5,605,783	5,759,122	5,759,122	-
Instructional staff . . . . .	4,315,059	4,475,747	4,475,747	-
Board of education . . . . .	535,361	745,042	745,042	-
Administration. . . . .	7,533,725	7,395,980	7,395,394	586
Fiscal . . . . .	1,631,400	1,699,670	1,699,680	(10)
Business . . . . .	572,632	599,591	599,591	-
Operations and maintenance. . . . .	9,501,469	10,381,508	10,368,318	13,190
Pupil transportation . . . . .	5,417,474	5,665,614	5,665,614	-
Central. . . . .	36,310	46,002	46,002	-
Extracurricular activities. . . . .	571,452	659,432	659,432	-
Facilities acquisition and construction . . . . .	13,273	154,855	154,855	-
Total expenditures . . . . .	<u>94,276,741</u>	<u>96,528,620</u>	<u>96,513,905</u>	<u>14,715</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>964,716</u>	<u>(1,287,163)</u>	<u>4,401,654</u>	<u>5,688,817</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	3,243	3,243	103,854	100,611
Transfers (out). . . . .	(2,502,365)	(2,502,365)	(2,500,000)	2,365
Sale of assets . . . . .	45	45	438	393
Total other financing sources (uses) . . . . .	<u>(2,499,077)</u>	<u>(2,499,077)</u>	<u>(2,395,708)</u>	<u>103,369</u>
Net change in fund balance . . . . .	(1,534,361)	(3,786,240)	2,005,946	5,792,186
<b>Fund balance at beginning of year . . . . .</b>	<b>15,433,660</b>	<b>15,433,660</b>	<b>15,433,660</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>2,113,926</b>	<b>2,113,926</b>	<b>2,113,926</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 16,013,225</u></b>	<b><u>\$ 13,761,346</u></b>	<b><u>\$ 19,553,532</u></b>	<b><u>\$ 5,792,186</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ASSETS AND LIABILITIES  
FIDUCIARY FUND  
JUNE 30, 2014

	<b>Agency</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 194,814
Total assets. . . . .	\$ 194,814
<b>Liabilities:</b>	
Accounts payable. . . . .	\$ 32,288
Intergovernmental payable . . . . .	7,988
Deposits held and due to others . . . . .	34,025
Due to students. . . . .	120,513
Total liabilities . . . . .	\$ 194,814

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, 2014**

**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 352 non-certified, 630 certified and 62 administrative employees to provide services to approximately 10,185 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, 2014

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

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

*RELATED ORGANIZATION*

Pickerington Community School

The Pickerington Community School (the "School") is a non-profit 501(c)(3) corporation established pursuant to Ohio Revised Code Chapters 1702 and 3314 to establish a conversion school in Pickerington Local School District addressing the needs of students between sixteen and twenty-one years of age who have dropped out of high school or are at risk of dropping out due to poor attendance, disciplinary problems, or suspensions. The School operates under the direction of a three-member Board of Directors appointed by the District. Separately issued financial statements can be obtained from the Treasurer of the School, Ryan Jenkins at 7800 Refugee Road, Pickerington, Ohio 43147 or email at [ryan\\_jenkins@plsd.us](mailto: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, 2014

**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](http://www.ohioschoolplan.org).

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

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

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

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. 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, 2014**

**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, 2014**

**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, 2014, but which were levied to finance fiscal year 2015 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, 2014, 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, 2014

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

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

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

**E. Budgets**

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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 investments" on the financial statements.

During fiscal year 2014, investments were limited to negotiable and nonnegotiable certificates of deposits (CDs), U.S. Treasury note, commercial paper, money market mutual fund, Federal Home Loan Bank (FHLB) Securities, Federal Farm Credit Bank (FFCB) Securities, Federal Home Loan Mortgage (FHLM) Securities, Federal National Mortgage Association (FNMA) Securities and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2014. 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, 2014.

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 2014 amounted to \$108,532, which includes \$21,154 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, 2014

**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 2014, the District maintained a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

**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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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 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  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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 and lease-purchase obligations are recognized as a liability on the fund financial statements when due.

**M. Fund Balance**

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

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned amounts include all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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 represents amounts restricted for food services and school trusts fund (nonmajor governmental funds).

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

**O. Prepayments**

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

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

**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. 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**R. 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 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2014 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Straight A grant	\$ 513,170
Miscellaneous State grants	12,399
Title VI-B	112,655
Title III	4,585
Title I	36,821

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

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

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

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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**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 \$209,504 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, 2014, the carrying amount of all District deposits, including \$6,512,417 in non-negotiable certificates of deposit, was \$37,377,948. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$19,932,711 of the District's bank balance of \$38,710,724 was exposed to custodial risk as discussed below, while \$18,778,013 was covered by the FDIC.

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

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

**D. Investments**

As of June 30, 2014, the District had the following investments and maturities:

Investment type	Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
FFCB	\$ 1,946,532	\$ -	\$ -	\$ 1,246,464	\$ -	\$ 700,068
FHLB	1,870,693	-	-	-	927,406	943,287
FHLM	2,352,532	-	-	-	725,312	1,627,220
FNMA	3,039,707	-	-	-	700,005	2,339,702
U.S. Treasury Note	1,001,445	-	-	-	1,001,445	-
Commercial Paper	310,000	310,000	-	-	-	-
Money Market Mutual Fund	7,231	7,231	-	-	-	-
Negotiable CD's	2,990,753	-	1,994,120	-	996,633	-
STAR Ohio	1,007,543	1,007,543	-	-	-	-
Total	<u>\$ 14,526,436</u>	<u>\$ 1,324,774</u>	<u>\$ 1,994,120</u>	<u>\$ 1,246,464</u>	<u>\$ 4,350,801</u>	<u>\$ 5,610,277</u>

The weighted average maturity of investments is 1.85 years.

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

*Credit Risk:* The District's investments in federal securities and U.S. Treasury note were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment in commercial paper was Rated A-1 and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The money market mutual fund and negotiable CDs were not rated. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy dealing with credit risk.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FFCB, FHLB, FHLM and FNMA securities, commercial paper, U.S. Treasurer note and negotiable CDs 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, 2014

**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, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FFCB	\$ 1,946,532	13.40
FHLB	1,870,693	12.88
FHLM	2,352,532	16.19
FNMA	3,039,707	20.93
U.S. Treasury Note	1,001,445	6.89
Commercial Paper	310,000	2.13
Money Market Mutual Fund	7,231	0.05
Negotiable CD's	2,990,753	20.59
STAR Ohio	1,007,543	6.94
Total	<u>\$ 14,526,436</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, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 37,377,948
Investments	<u>14,526,436</u>
Total	<u>\$ 51,904,384</u>
 <u>Cash and investments per financial statements</u>	
Governmental activities	\$ 51,709,570
Agency funds	<u>194,814</u>
Total	<u>\$ 51,904,384</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended June 30, 2014, consisted of the following, as reported on the fund financial statements:

<u>Transfers to nonmajor governmental fund from:</u>	<u>Amount</u>
General fund	<u>\$ 1,000,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

All transfers made in fiscal year 2014 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, 2014 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>\$165,603</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 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, 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 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, 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, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$2,013,819 in the general fund, \$703,086 in the debt service fund and \$22,955 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, 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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014 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 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,111,113,150	98.40	\$ 1,085,034,410	98.30
Public utility personal	<u>18,106,270</u>	<u>1.60</u>	<u>18,770,810</u>	<u>1.70</u>
<b>Total</b>	<b><u>\$ 1,129,219,420</u></b>	<b><u>100.00</u></b>	<b><u>\$ 1,103,805,220</u></b>	<b><u>100.00</u></b>
Tax rate per \$1,000 of assessed valuation for:				
General	\$72.20		\$72.20	
Bond	12.70		12.00	
Facilities maintenance	0.50		0.50	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2014 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:

<b>Governmental activities:</b>	
Property taxes	\$ 47,571,472
Income taxes	6,587,883
Payment in lieu of taxes	125,277
Accrued interest	17,665
Intergovernmental	<u>1,211,762</u>
<b>Total</b>	<b><u>\$ 55,514,059</u></b>

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 8 - CAPITAL ASSETS**

Governmental capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2014</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	226,268,156	-	-	226,268,156
Furniture and equipment	6,670,432	107,976	-	6,778,408
Vehicles	<u>1,898,053</u>	<u>161,344</u>	<u>-</u>	<u>2,059,397</u>
Total capital assets, being depreciated	<u>254,574,025</u>	<u>269,320</u>	<u>-</u>	<u>254,843,345</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(8,331,318)	(907,062)	-	(9,238,380)
Building and improvements	(70,371,031)	(6,398,364)	-	(76,769,395)
Furniture and equipment	(3,125,458)	(633,216)	-	(3,758,674)
Vehicles	<u>(1,325,077)</u>	<u>(159,795)</u>	<u>-</u>	<u>(1,484,872)</u>
Total accumulated depreciation	<u>(83,152,884)</u>	<u>(8,098,437)</u>	<u>-</u>	<u>(91,251,321)</u>
Governmental activities capital assets, net	<u>\$ 180,606,621</u>	<u>\$ (7,829,117)</u>	<u>\$ -</u>	<u>\$ 172,777,504</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 5,510,052
Special	281,244
Vocational	17,800
<u>Support services:</u>	
Pupil	183,122
Instructional staff	413,143
Administration	171,293
Operations and maintenance	454,418
Pupil transportation	146,914
Extracurricular activities	154,944
Food service operation	<u>765,507</u>
Total depreciation expense	<u>\$ 8,098,437</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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, 2014, capital assets acquired by lease purchase have been capitalized under buildings and improvements in the amount of \$1,670,122. Accumulated depreciation of \$233,814 has been booked as of June 30, 2014 leaving a book value of \$1,436,308. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$91,721 and \$62,164, 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, 2014, capital assets acquired by lease purchase have been capitalized under furniture and equipment in the amount of \$925,275. Accumulated depreciation of \$277,583 has been booked as of June 30, 2014 leaving a book value of \$647,692. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal and interest payments totaled \$172,789 and \$29,291, respectively.

During fiscal year 2014, the District entered into a lease-purchase agreement with Apple, Inc. 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 acquire various Apple products for students including iPads and computers. At June 30, 2014, these items acquired by lease purchase total \$1,669,919 and have not been capitalized due to each item being under the capitalization threshold. Lease-purchase payments have been reflected as debt service expenditures from the general fund. Principal payments totaled \$561,377.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements and the present value of the minimum lease payments as of June 30, 2014.

Fiscal Year Ending	Total
<u>June 30</u>	<u>          </u>
2015	\$ 917,343
2016	917,323
2017	355,965
2018	339,125
2019	153,885
2020 - 2021	<u>307,749</u>
Total minimum lease payments	2,991,390
Less: amount representing interest	<u>(305,905)</u>
Present value of minimum lease payments	<u>\$ 2,685,485</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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).

The following is a summary of the District's general obligation bonds outstanding at June 30, 2014

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<b>General Obligation Bonds:</b>				
Series 1993, capital appreciation bonds	\$ 68,700	\$ -	\$ (68,700)	\$ -
Series 1993, capital appreciation bonds accreted interest	1,342,577	113,723	(1,456,300)	-
Series 2001, capital appreciation bonds	8,031,184	-	(2,093,530)	5,937,654
Series 2001, capital appreciation bonds accreted interest	6,335,531	642,137	(1,746,470)	5,231,198
<b>Public Library Refunding Bonds:</b>				
Series 2002, current interest bonds	265,000	-	(135,000)	130,000
Series 2002, capital appreciation bonds	40,000	-	-	40,000
Series 2002, capital appreciation bonds accreted interest	119,372	22,239	-	141,611

- (Continued)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

- (Continued)	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2014</u>
<b>General Obligation Bonds:</b>				
Series 2004, current interest refunding bonds	\$ 4,970,000	\$ -	\$ (745,000)	\$ 4,225,000
Series 2004, capital appreciation bonds	144,994	-	-	144,994
Series 2004, capital appreciation bonds accreted interest	372,568	77,811	-	450,379
Series 2006, current interest refunding bonds	57,125,000	-	(1,715,000)	55,410,000
Series 2006, capital appreciation bonds	5,109,907	-	-	5,109,907
Series 2006, capital appreciation bonds accreted interest	4,962,308	985,320	-	5,947,628
Series 2007, current interest bonds	<u>51,985,000</u>	<u>-</u>	<u>(1,400,000)</u>	<u>50,585,000</u>
Total general obligation bonds	<u>\$ 140,872,141</u>	<u>\$ 1,841,230</u>	<u>\$ (9,360,000)</u>	<u>\$ 133,353,371</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.

In fiscal year 2014, the remaining capital appreciation bonds of \$68,700 matured with total accreted interest of \$1,456,300 (total accreted value at maturity was \$1,525,000).

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, 2014, the remaining issue is comprised of capital appreciation bonds, par value \$5,937,654. In fiscal year 2014, capital appreciation bonds of \$2,093,530 matured with accreted interest of \$1,746,470 (total accreted value at maturity was \$3,840,000). The remaining capital appreciation bonds mature on December 1, 2014 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 \$12,020,000. A total of \$5,231,198 in accreted interest on the capital appreciation bonds has been included on the statement of net position at June 30, 2014.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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 \$141,611 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 \$130,000, capital appreciation bonds of \$40,000, deferred charges of \$3,856 and unamortized premiums of \$9,023 are not included in the calculation of net invested in capital assets, net of related debt because the proceeds of these bonds were not used to purchase capital assets held by the District.

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.

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 \$450,379 has been included on the statement of net position at June 30, 2014.

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.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

*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 \$5,947,628 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, 2014, there was \$467,716 in unspent proceeds of the Series 2007 general obligation bonds.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**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
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	2,038,306	2,171,695	4,210,001
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	2,630,000	3,119,482	5,749,482	1,697,318	3,892,682	5,590,000
2020 - 2024	33,220,000	16,257,407	49,477,407	1,547,963	4,047,036	5,594,999
2025 - 2029	40,480,000	8,669,175	49,149,175	-	-	-
2030 - 2034	16,040,000	2,532,575	18,572,575	-	-	-
2035	3,630,000	77,137	3,707,137	-	-	-
<b>Total</b>	<b>\$ 110,350,000</b>	<b>\$ 48,479,495</b>	<b>\$ 158,829,495</b>	<b>\$ 11,232,555</b>	<b>\$ 18,647,445</b>	<b>\$ 29,880,000</b>

The difference in the amount due in the schedule below in Note 10.C. and the amortization schedule above is \$11,770,816 which is the amount of capital appreciation bond accreted interest that has been recognized as of June 30, 2014.

**C.** During the fiscal year 2014, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding June 30, 2013	Additions	Reductions	Balance Outstanding June 30, 2014	Amounts Due in One Year
<b>Governmental activities:</b>					
<b>General Obligation Bonds:</b>					
General obligation bonds	\$ 140,872,141	\$ 1,841,230	\$ (9,360,000)	\$ 133,353,371	\$ 8,128,605
Total general obligation bonds payable	140,872,141	1,841,230	(9,360,000)	133,353,371	8,128,605
<b>Other Long-Term Obligations:</b>					
Lease-purchase obligations	1,841,453	1,669,919	(825,887)	2,685,485	829,505
Compensated absences	5,223,610	960,723	(1,050,691)	5,133,642	714,544
Total other long-term obligations	7,065,063	2,630,642	(1,876,578)	7,819,127	1,544,049
Total governmental activities	\$ 147,937,204	\$ 4,471,872	\$ (11,236,578)	141,172,498	\$ 9,672,654
Add: unamortized premiums on refundings				3,211,945	
Total on statement of net position				\$ 144,384,443	

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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, 2014, 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  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Non-administrative employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 65 days for certificated staff with a minimum of five years with the District; and 61 days for classified employees with a minimum of five years with the District. An employee receiving such payment must meet the retirement provisions set by STRS Ohio and SERS.

Administrative twelve month employees earn fifteen to twenty-five days of vacation per year, with a maximum accrual of 45 to 60 days, depending upon length of service. Administrative employees earn sick leave at a rate ranging from one and one-third days per month to one and two-thirds days per month, depending upon the number of contractual days worked. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of 82 days for administrative employees with a minimum of five years of service with the District. Accumulated unused vacation time is paid to administrative employees upon termination of employment.

**NOTE 12 - RISK MANAGEMENT**

**A. Property and Liability**

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

Total policy coverage - includes the following:	
Property limit (\$1,000 deductible) per occurrence	\$298,069,374
Boiler and Machinery (\$1,000 deductible) per occurrence	100,000,000
Automobile liability (\$1,000 deductible)	4,000,000
Medical payments	5,000
Public Employee Dishonesty per occurrence	100,000
General school district liability:	
Per occurrence	4,000,000
Total per aggregate	6,000,000

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

**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.

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 14.

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

For policy year 2014, 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 2014 program, the evaluation periods will be 12/31/2015, 12/31/2016 and 12/31/2017. 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](http://www.ohsers.org), under "Employers/Audit Resources".

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**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 2014, 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 14 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, 2014, 2013 and 2012 were \$1,220,356, \$1,158,796 and \$1,128,521, respectively; 78.86 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**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](http://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.

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 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 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

**PICKERINGTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$6,336,721, \$5,981,574 and \$6,089,137, respectively; 83.96 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$285,003 made by the District and \$223,931 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, 2014 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 2014 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](http://www.ohsers.org), under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 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 2014, the actuarially determined amount was \$20,250.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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, 2014, 2013 and 2012 were \$199,970, \$176,124 and \$228,231, respectively; 78.86 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$70,799, \$65,459 and \$66,645, respectively; 78.86 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**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](http://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 2014, 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, 2014, 2013 and 2012 were \$487,440, \$460,121 and \$468,395, respectively; 83.96 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (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	\$ 2,005,946
Net adjustment for revenue accruals	1,180,233
Net adjustment for expenditure accruals	(3,929,018)
Net adjustment for other sources/uses	3,065,627
Funds budgeted elsewhere	1,119,279
Adjustment for encumbrances	2,408,704
GAAP basis	\$ 5,850,771

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.

**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 2014, the District income tax generated \$15,270,666 in revenue on the accrual basis of accounting. The District apportions all the proceeds to the general fund.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 18 - SET-ASIDES**

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

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, 2013	\$ -
Current year set-aside requirement	1,717,891
Current year offsets	(645,757)
Prior year offset from bond proceeds	<u>(1,072,134)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u><u>\$ -</u></u>

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 1,203,659
Nonmajor governmental funds	<u>2,099,748</u>
Total	<u><u>\$ 3,303,407</u></u>

**NOTE 20 - SUBSEQUENT EVENT**

On August 20, 2014, the District issued \$27,875,000 to partially refund the Series 2004 Bonds and advance refund a portion of the Series 2007 Bonds. The bonds carry an interest rate of 1.00-5.00% and have a final maturity of December 1, 2028.

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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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>District Debt Service</b>				
Total Revenues and Other Sources	\$ 13,970,000	\$ 13,970,000	\$ 13,818,328	\$ (151,672)
Total Expenditures and Other Uses	<u>14,547,719</u>	<u>14,413,468</u>	<u>14,413,468</u>	<u>-</u>
Net Change in Fund Balances	(577,719)	(443,468)	(595,140)	(151,672)
Fund Balance at Beginning of Year	<u>14,820,949</u>	<u>14,820,949</u>	<u>14,820,949</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,243,230</u>	<u>\$ 14,377,481</u>	<u>\$ 14,225,809</u>	<u>\$ (151,672)</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 6,054,280	\$ 187,606	\$ 4,477,057	\$ 10,718,943
Cash in segregated accounts. . . . .	-	-	209,504	209,504
Receivables:				
Property taxes . . . . .	394,910	-	-	394,910
Payment in lieu of taxes . . . . .	1,031	140	-	1,171
Intergovernmental . . . . .	1,002,401	-	-	1,002,401
Prepayments. . . . .	4,176	-	-	4,176
Materials and supplies inventory . . . . .	60,140	-	-	60,140
<b>Total assets. . . . .</b>	<b>\$ 7,516,938</b>	<b>\$ 187,746</b>	<b>\$ 4,686,561</b>	<b>\$ 12,391,245</b>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 460,035	\$ -	\$ 1,630	\$ 461,665
Contracts payable. . . . .	-	-	409,771	409,771
Retainage payable . . . . .	-	-	209,504	209,504
Accrued wages and benefits . . . . .	536,665	-	-	536,665
Compensated absences payable . . . . .	2,715	-	-	2,715
Intergovernmental payable . . . . .	8,873	-	-	8,873
Pension obligation payable. . . . .	128,306	-	-	128,306
Due to other funds . . . . .	165,603	-	-	165,603
<b>Total liabilities. . . . .</b>	<b>1,302,197</b>	<b>-</b>	<b>620,905</b>	<b>1,923,102</b>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	352,045	-	-	352,045
Payment in lieu of taxes levied for the next fiscal year. . . . .	1,031	140	-	1,171
Delinquent property tax revenue not available. . . . .	19,910	-	-	19,910
Intergovernmental revenue not available . . . . .	996,101	-	-	996,101
<b>Total deferred inflows of resources . . . . .</b>	<b>1,369,087</b>	<b>140</b>	<b>-</b>	<b>1,369,227</b>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Materials and supplies inventory . . . . .	60,140	-	-	60,140
Prepayments. . . . .	4,176	-	-	4,176
<b>Restricted:</b>				
Debt service . . . . .	-	187,606	-	187,606
Capital improvements . . . . .	-	-	4,065,656	4,065,656
Classroom facilities maintenance . . . . .	3,751,654	-	-	3,751,654
Food service operations . . . . .	1,108,557	-	-	1,108,557
Targeted academic assistance . . . . .	1,952	-	-	1,952
Other purposes. . . . .	157,636	-	-	157,636
Extracurricular . . . . .	441,169	-	-	441,169
Unassigned (deficit) . . . . .	(679,630)	-	-	(679,630)
<b>Total fund balances . . . . .</b>	<b>4,845,654</b>	<b>187,606</b>	<b>4,065,656</b>	<b>9,098,916</b>
<b>Total liabilities, deferred inflow and fund balances. . .</b>	<b>\$ 7,516,938</b>	<b>\$ 187,746</b>	<b>\$ 4,686,561</b>	<b>\$ 12,391,245</b>

**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, 2014

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 398,685	\$ 44,329	\$ -	\$ 443,014
Payment in lieu of taxes. . . . .	1,031	140	-	1,171
Earnings on investments . . . . .	1,423	-	1,415	2,838
Charges for services . . . . .	2,708,492	-	-	2,708,492
Extracurricular . . . . .	497,486	-	-	497,486
Rental income. . . . .	-	-	47,520	47,520
Contributions and donations . . . . .	71,614	-	-	71,614
Contract services . . . . .	515,010	-	-	515,010
Other local revenues . . . . .	610	-	93,289	93,899
Intergovernmental - state. . . . .	743,815	6,456	-	750,271
Intergovernmental - federal . . . . .	4,184,811	-	-	4,184,811
<b>Total revenues . . . . .</b>	<b>9,122,977</b>	<b>50,925</b>	<b>142,224</b>	<b>9,316,126</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	2,003,916	-	169,300	2,173,216
Special . . . . .	1,012,750	-	-	1,012,750
Vocational . . . . .	4,430	-	-	4,430
Support services:				
Pupil . . . . .	181,160	-	-	181,160
Instructional staff. . . . .	243,958	-	-	243,958
Administration . . . . .	74,520	-	-	74,520
Fiscal. . . . .	7,131	792	-	7,923
Operations and maintenance . . . . .	785,214	-	8,581	793,795
Pupil transportation . . . . .	7,989	-	-	7,989
Central . . . . .	794	-	-	794
Operation of non-instructional services:				
Other non-instructional services . . . . .	510,498	-	7,858	518,356
Food service operations. . . . .	4,163,019	-	-	4,163,019
Extracurricular activities. . . . .	621,331	-	-	621,331
Facilities acquisition and construction. . . . .	12,690	-	3,325,034	3,337,724
Debt service:				
Principal retirement. . . . .	-	135,000	-	135,000
Interest and fiscal charges . . . . .	-	8,030	-	8,030
<b>Total expenditures . . . . .</b>	<b>9,629,400</b>	<b>143,822</b>	<b>3,510,773</b>	<b>13,283,995</b>
Excess of expenditures over revenues . . . . .	(506,423)	(92,897)	(3,368,549)	(3,967,869)
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	1,000,000	1,000,000
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>
Net change in fund balances . . . . .	(506,423)	(92,897)	(2,368,549)	(2,967,869)
<b>Fund balances at beginning of year. . . . .</b>	<b>5,352,077</b>	<b>280,503</b>	<b>6,434,205</b>	<b>12,066,785</b>
<b>Fund balances at end of year. . . . .</b>	<b>\$ 4,845,654</b>	<b>\$ 187,606</b>	<b>\$ 4,065,656</b>	<b>\$ 9,098,916</b>

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

**Nonmajor Special Revenue Funds**

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

**Food Services**

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.

**Straight A**

This fund accounts for grant monies received through the Straight A Programs which are restricted for projects that will provide for advancement in student achievement, achieve spending reductions in the five-year forecast or allow a greater share of resources to be utilized in the classroom.

**Miscellaneous State Grants**

To account for state grants not classified elsewhere.

**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.

**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, 2014

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 1,412,909	\$ 17,987	\$ 3,758,438	\$ 468,970
Receivables:				
Property taxes . . . . .	-	-	394,910	-
Payment in lieu of taxes . . . . .	-	-	1,031	-
Intergovernmental . . . . .	-	-	-	-
Prepayments. . . . .	4,176	-	-	-
Materials and supplies inventory . . . . .	60,140	-	-	-
<b>Total assets. . . . .</b>	<u>\$ 1,477,225</u>	<u>\$ 17,987</u>	<u>\$ 4,154,379</u>	<u>\$ 468,970</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 23,360	\$ 1,185	\$ 29,739	\$ 27,801
Accrued wages and benefits . . . . .	184,221	-	-	-
Compensated absences payable . . . . .	2,715	-	-	-
Intergovernmental payable . . . . .	2,038	-	-	-
Pension obligation payable. . . . .	92,018	-	-	-
Due to other funds . . . . .	-	-	-	-
<b>Total liabilities. . . . .</b>	<u>304,352</u>	<u>1,185</u>	<u>29,739</u>	<u>27,801</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	352,045	-
Payment in lieu of taxes levied for the next fiscal year. . . . .	-	-	1,031	-
Delinquent property tax revenue not available. . . . .	-	-	19,910	-
Intergovernmental revenue not available . . . . .	-	-	-	-
<b>Total deferred inflows of resources . . . . .</b>	<u>-</u>	<u>-</u>	<u>372,986</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	60,140	-	-	-
Prepayments. . . . .	4,176	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	3,751,654	-
Food service operations . . . . .	1,108,557	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes. . . . .	-	16,802	-	-
Extracurricular . . . . .	-	-	-	441,169
Unassigned (deficit) . . . . .	-	-	-	-
<b>Total fund balances (deficits) . . . . .</b>	<u>1,172,873</u>	<u>16,802</u>	<u>3,751,654</u>	<u>441,169</u>
<b>Total liabilities, deferred inflows and fund balances . . . . .</b>	<u>\$ 1,477,225</u>	<u>\$ 17,987</u>	<u>\$ 4,154,379</u>	<u>\$ 468,970</u>



<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Miscellaneous State Grants</u>	<u>Race to the Top</u>
\$ 1,552	\$ 193,821	\$ -	\$ -	\$ 1,722
-	-	-	-	-
-	-	-	-	-
-	-	761,493	12,488	25,309
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,552</u>	<u>\$ 193,821</u>	<u>\$ 761,493</u>	<u>\$ 12,488</u>	<u>\$ 27,031</u>
\$ -	\$ 795	\$ 347,567	\$ -	\$ 2,762
-	49,526	-	10,739	-
-	-	-	-	-
-	750	-	156	-
-	8,728	-	1,504	-
-	-	165,603	-	-
-	59,799	513,170	12,399	2,762
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	761,493	12,488	19,009
-	-	761,493	12,488	19,009
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,552	134,022	-	-	5,260
-	-	-	-	-
-	-	(513,170)	(12,399)	-
<u>1,552</u>	<u>134,022</u>	<u>(513,170)</u>	<u>(12,399)</u>	<u>5,260</u>
<u>\$ 1,552</u>	<u>\$ 193,821</u>	<u>\$ 761,493</u>	<u>\$ 12,488</u>	<u>\$ 27,031</u>

-- (Continued)

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2014

	<u>Title VI - B</u>	<u>Title III</u>	<u>Title I</u>	<u>Title VI - R</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 85,831	\$ 4,562	\$ 76,512	\$ 31,976
Receivables:				
Property taxes . . . . .	-	-	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Intergovernmental . . . . .	119,098	2,952	76,255	4,806
Prepayments. . . . .	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-
<b>Total assets. . . . .</b>	<u>\$ 204,929</u>	<u>\$ 7,514</u>	<u>\$ 152,767</u>	<u>\$ 36,782</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 3,709	\$ 1,308	\$ -	\$ 21,809
Accrued wages and benefits . . . . .	167,520	7,237	109,324	8,098
Compensated absences payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	3,250	105	2,457	117
Pension obligation payable. . . . .	24,007	497	1,552	-
Due to other funds . . . . .	-	-	-	-
<b>Total liabilities. . . . .</b>	<u>198,486</u>	<u>9,147</u>	<u>113,333</u>	<u>30,024</u>
<b>Deferred inflows of resources:</b>				
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 . . . . .	119,098	2,952	76,255	4,806
<b>Total deferred inflows of resources . . . . .</b>	<u>119,098</u>	<u>2,952</u>	<u>76,255</u>	<u>4,806</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	-	-
Prepayments. . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	-
Food service operations . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	1,952
Other purposes. . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	(112,655)	(4,585)	(36,821)	-
<b>Total fund balances (deficits) . . . . .</b>	<u>(112,655)</u>	<u>(4,585)</u>	<u>(36,821)</u>	<u>1,952</u>
<b>Total liabilities, deferred inflows and fund balances . . . . .</b>	<u>\$ 204,929</u>	<u>\$ 7,514</u>	<u>\$ 152,767</u>	<u>\$ 36,782</u>

**Total  
Nonmajor  
Special Revenue  
Funds**

\$ 6,054,280

394,910

1,031

1,002,401

4,176

60,140

\$ 7,516,938

\$ 460,035

536,665

2,715

8,873

128,306

165,603

1,302,197

352,045

1,031

19,910

996,101

1,369,087

60,140

4,176

3,751,654

1,108,557

1,952

157,636

441,169

(679,630)

4,845,654

\$ 7,516,938

**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, 2014

	<u>Food Services</u>	<u>School Trusts</u>	<u>Facilities Maintenance</u>	<u>Student Activity</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ 398,685	\$ -
Payment in lieu of taxes . . . . .	-	-	1,031	-
Earnings on investments . . . . .	1,423	-	-	-
Charges for services . . . . .	2,708,492	-	-	-
Extracurricular . . . . .	-	-	-	497,486
Contributions and donations . . . . .	-	17,984	-	53,630
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	610
Intergovernmental - state . . . . .	26,111	-	258,555	-
Intergovernmental - federal . . . . .	1,580,995	-	-	-
Total revenues . . . . .	<u>4,317,021</u>	<u>17,984</u>	<u>658,271</u>	<u>551,726</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	15,312	-	-
Special . . . . .	-	-	-	-
Vocational . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	-	708
Fiscal . . . . .	-	-	7,131	-
Operations and maintenance . . . . .	22,332	-	762,768	-
Pupil transportation . . . . .	-	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	-	-
Food service operations . . . . .	4,163,019	-	-	-
Extracurricular activities . . . . .	-	-	-	621,331
Facilities acquisition and construction . . . . .	-	-	12,690	-
Total expenditures . . . . .	<u>4,185,351</u>	<u>15,312</u>	<u>782,589</u>	<u>622,039</u>
Net change in fund balances . . . . .	131,670	2,672	(124,318)	(70,313)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<u>1,041,203</u>	<u>14,130</u>	<u>3,875,972</u>	<u>511,482</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 1,172,873</u>	<u>\$ 16,802</u>	<u>\$ 3,751,654</u>	<u>\$ 441,169</u>

<u>EMIS</u>	<u>Data Communication</u>	<u>Summer School Subsidy</u>	<u>Alternative Schools</u>	<u>Straight A</u>	<u>Miscellaneous State Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	515,010	-	-
-	25,200	-	-	367,249	65,200
-	-	-	-	-	-
-	25,200	-	515,010	367,249	65,200
-	-	-	-	880,419	12,399
-	-	-	-	-	-
-	-	-	-	-	-
-	25,200	-	-	-	65,200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
794	-	-	-	-	-
-	-	-	502,098	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
794	25,200	-	502,098	880,419	77,599
(794)	-	-	12,912	(513,170)	(12,399)
794	-	1,552	121,110	-	-
\$ -	\$ -	\$ 1,552	\$ 134,022	\$ (513,170)	\$ (12,399)

-- (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, 2014

	<u>Race to the Top</u>	<u>Title VI - B</u>	<u>Title III</u>	<u>Title I</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes . . . . .	-	-	-	-
Earnings on investments . . . . .	-	-	-	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Contract services . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	116,513	1,539,690	51,684	751,881
Total revenues . . . . .	<u>116,513</u>	<u>1,539,690</u>	<u>51,684</u>	<u>751,881</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	19,800	230,901	-	795,937
Special . . . . .	-	958,513	54,237	-
Vocational . . . . .	-	4,430	-	-
Support services:				
Pupil . . . . .	-	90,760	-	-
Instructional staff . . . . .	100,541	93,805	-	1,074
Administration . . . . .	-	73,812	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	7,989
Central . . . . .	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	2,684	4,330
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Total expenditures . . . . .	<u>120,341</u>	<u>1,452,221</u>	<u>56,921</u>	<u>809,330</u>
Net change in fund balances . . . . .	(3,828)	87,469	(5,237)	(57,449)
<b>Fund balances (deficits) at beginning of year . . . . .</b>	<u>9,088</u>	<u>(200,124)</u>	<u>652</u>	<u>20,628</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 5,260</u>	<u>\$ (112,655)</u>	<u>\$ (4,585)</u>	<u>\$ (36,821)</u>

<u>Title VI - R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 398,685
-	-	1,031
-	-	1,423
-	-	2,708,492
-	-	497,486
-	-	71,614
-	-	515,010
-	-	610
-	1,500	743,815
<u>110,513</u>	<u>33,535</u>	<u>4,184,811</u>
<u>110,513</u>	<u>35,035</u>	<u>9,122,977</u>
48,705	443	2,003,916
-	-	1,012,750
-	-	4,430
-	-	181,160
48,538	-	243,958
-	-	74,520
-	-	7,131
-	114	785,214
-	-	7,989
-	-	794
-	1,386	510,498
-	-	4,163,019
-	-	621,331
-	-	12,690
<u>97,243</u>	<u>1,943</u>	<u>9,629,400</u>
13,270	33,092	(506,423)
<u>(11,318)</u>	<u>(33,092)</u>	<u>5,352,077</u>
<u>\$ 1,952</u>	<u>\$ -</u>	<u>\$ 4,845,654</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Food Services</b>				
Total Revenues and Other Sources	\$ 3,912,324	\$ 3,912,234	\$ 4,143,224	\$ 230,990
Total Expenditures and Other Uses	<u>3,813,440</u>	<u>4,157,750</u>	<u>4,157,750</u>	<u>-</u>
Net Change in Fund Balances	98,884	(245,516)	(14,526)	230,990
Fund Balance at Beginning of Year	1,280,266	1,280,266	1,280,266	-
Prior Year Encumbrances Appropriated	<u>33,977</u>	<u>33,977</u>	<u>33,977</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,413,127</u>	<u>\$ 1,068,727</u>	<u>\$ 1,299,717</u>	<u>\$ 230,990</u>
<b>School Trusts</b>				
Total Revenues and Other Sources	\$ 1,604	\$ 10,888	\$ 17,984	\$ 7,096
Total Expenditures and Other Uses	<u>4,924</u>	<u>17,637</u>	<u>17,637</u>	<u>-</u>
Net Change in Fund Balances	(3,320)	(6,749)	347	7,096
Fund Balance at Beginning of Year	14,025	14,025	14,025	-
Prior Year Encumbrances Appropriated	<u>1,965</u>	<u>1,965</u>	<u>1,965</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 12,670</u>	<u>\$ 9,241</u>	<u>\$ 16,337</u>	<u>\$ 7,096</u>
<b>Facilities Maintenance</b>				
Total Revenues and Other Sources	\$ 438,628	\$ 438,628	\$ 646,788	\$ 208,160
Total Expenditures and Other Uses	<u>813,347</u>	<u>1,033,623</u>	<u>1,033,623</u>	<u>-</u>
Net Change in Fund Balances	(374,719)	(594,995)	(386,835)	208,160
Fund Balance at Beginning of Year	3,708,394	3,708,394	3,708,394	-
Prior Year Encumbrances Appropriated	<u>188,347</u>	<u>188,347</u>	<u>188,347</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,522,022</u>	<u>\$ 3,301,746</u>	<u>\$ 3,509,906</u>	<u>\$ 208,160</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Student Activity</b>				
Total Revenues and Other Sources	\$ 566,568	\$ 566,568	\$ 527,864	\$ (38,704)
Total Expenditures and Other Uses	<u>680,378</u>	<u>643,921</u>	<u>641,702</u>	<u>2,219</u>
Net Change in Fund Balances	(113,810)	(77,353)	(113,838)	(36,485)
Fund Balance at Beginning of Year	457,331	457,331	457,331	-
Prior Year Encumbrances Appropriated	<u>80,378</u>	<u>80,378</u>	<u>80,378</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 423,899</u>	<u>\$ 460,356</u>	<u>\$ 423,871</u>	<u>\$ (36,485)</u>
<b>EMIS</b>				
Total Expenditures and Other Uses	<u>\$ 894</u>	<u>\$ 894</u>	<u>\$ 894</u>	<u>\$ -</u>
Net Change in Fund Balances	(894)	(894)	(894)	-
Fund Balance (Deficit) at Beginning of Year	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>895</u>	<u>895</u>	<u>895</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Data Communication</b>				
Total Revenues and Other Sources	\$ 25,000	\$ 25,200	\$ 25,200	\$ -
Total Expenditures and Other Uses	<u>25,200</u>	<u>25,200</u>	<u>25,200</u>	<u>-</u>
Net Change in Fund Balances	(200)	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (200)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Summer School Subsidy</b>				
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>
<b>Alternative Schools</b>				
Total Revenues and Other Sources	\$ 700,000	\$ 700,000	\$ 515,010	\$ (184,990)
Total Expenditures and Other Uses	<u>854,702</u>	<u>854,702</u>	<u>543,473</u>	<u>311,229</u>
Net Change in Fund Balances	(154,702)	(154,702)	(28,463)	126,239
Fund Balance at Beginning of Year	122,605	122,605	122,605	-
Prior Year Encumbrances Appropriated	<u>54,702</u>	<u>54,702</u>	<u>54,702</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 22,605</u>	<u>\$ 22,605</u>	<u>\$ 148,844</u>	<u>\$ 126,239</u>
<b>Straight A</b>				
Total Revenues and Other Sources	\$ -	\$ 1,128,742	\$ 367,249	\$ (761,493)
Total Expenditures and Other Uses	<u>-</u>	<u>1,128,742</u>	<u>1,118,742</u>	<u>10,000</u>
Net Change in Fund Balances	-	-	(751,493)	(751,493)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (751,493)</u>	<u>\$ (751,493)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous State Grants</b>				
Total Revenues and Other Sources	\$ 65,290	\$ 77,688	\$ 65,200	\$ (12,488)
Total Expenditures and Other Uses	-	65,290	65,200	90
Net Change in Fund Balances	65,290	12,398	-	(12,398)
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ 65,290</u>	<u>\$ 12,398</u>	<u>\$ -</u>	<u>\$ (12,398)</u>
<b>Race to the Top</b>				
Total Revenues and Other Sources	\$ 190,000	\$ 171,174	\$ 118,613	\$ (52,561)
Total Expenditures and Other Uses	137,631	187,069	150,786	36,283
Net Change in Fund Balances	52,369	(15,895)	(32,173)	(16,278)
Fund Balance (Deficit) at Beginning of Year	(30,601)	(30,601)	(30,601)	-
Prior Year Encumbrances Appropriated	46,496	46,496	46,496	-
Fund Balance (Deficit) at End of Year	<u>\$ 68,264</u>	<u>\$ -</u>	<u>\$ (16,278)</u>	<u>\$ (16,278)</u>
<b>Title VI - B</b>				
Total Revenues and Other Sources	\$ 1,500,000	\$ 1,573,616	\$ 1,539,690	\$ (33,926)
Total Expenditures and Other Uses	1,468,559	1,586,381	1,476,665	109,716
Net Change in Fund Balances	31,441	(12,765)	63,025	75,790
Fund Balance at Beginning of Year	1,527	1,527	1,527	-
Prior Year Encumbrances Appropriated	11,238	11,238	11,238	-
Fund Balance (Deficit) at End of Year	<u>\$ 44,206</u>	<u>\$ -</u>	<u>\$ 75,790</u>	<u>\$ 75,790</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Title III</b>				
Total Revenues and Other Sources	\$ 40,681	\$ 63,475	\$ 51,684	\$ (11,791)
Total Expenditures and Other Uses	<u>62,202</u>	<u>64,875</u>	<u>51,541</u>	<u>13,334</u>
Net Change in Fund Balances	(21,521)	(1,400)	143	1,543
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (20,121)</u>	<u>\$ -</u>	<u>\$ 1,543</u>	<u>\$ 1,543</u>
<b>Title I</b>				
Total Revenues and Other Sources	\$ 1,040,269	\$ 1,040,269	\$ 751,881	\$ (288,388)
Total Expenditures and Other Uses	<u>714,992</u>	<u>937,846</u>	<u>722,600</u>	<u>215,246</u>
Net Change in Fund Balances	325,277	102,423	29,281	(73,142)
Fund Balance at Beginning of Year	35,355	35,355	35,355	-
Prior Year Encumbrances Appropriated	<u>3,436</u>	<u>3,436</u>	<u>3,436</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 364,068</u>	<u>\$ 141,214</u>	<u>\$ 68,072</u>	<u>\$ (73,142)</u>
<b>Title VI - R</b>				
Total Revenues and Other Sources	\$ 100,000	\$ 119,097	\$ 110,513	\$ (8,584)
Total Expenditures and Other Uses	<u>116,573</u>	<u>119,752</u>	<u>114,344</u>	<u>5,408</u>
Net Change in Fund Balances	(16,573)	(655)	(3,831)	(3,176)
Fund Balance at Beginning of Year	3,255	3,255	3,255	-
Prior Year Encumbrances Appropriated	<u>1,228</u>	<u>1,228</u>	<u>1,228</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u>\$ (12,090)</u>	<u>\$ 3,828</u>	<u>\$ 652</u>	<u>\$ (3,176)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$ 63,035	\$ 63,035	\$ 35,392	\$ (27,643)
Total Expenditures and Other Uses	<u>34,080</u>	<u>34,080</u>	<u>6,437</u>	<u>27,643</u>
Net Change in Fund Balances	28,955	28,955	28,955	-
Fund Balance (Deficit) at Beginning of Year	(61,535)	(61,535)	(61,535)	-
Prior Year Encumbrances Appropriated	<u>32,580</u>	<u>32,580</u>	<u>32,580</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$ 363,787	\$ 385,060	\$ 466,472	\$ 81,412
Total Expenditures and Other Uses	<u>434,959</u>	<u>486,364</u>	<u>486,364</u>	<u>-</u>
Net Change in Fund Balances	(71,172)	(101,304)	(19,892)	81,412
Fund Balance at Beginning of Year	80,316	80,316	80,316	-
Prior Year Encumbrances Appropriated	<u>20,988</u>	<u>20,988</u>	<u>20,988</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 30,132</u>	<u>\$ -</u>	<u>\$ 81,412</u>	<u>\$ 81,412</u>
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 99,236	\$ 99,236	\$ 168,269	\$ 69,033
Total Expenditures and Other Uses	<u>275,686</u>	<u>295,255</u>	<u>294,797</u>	<u>458</u>
Net Change in Fund Balances	(176,450)	(196,019)	(126,528)	69,491
Fund Balance at Beginning of Year	228,182	228,182	228,182	-
Prior Year Encumbrances Appropriated	<u>92,400</u>	<u>92,400</u>	<u>92,400</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 144,132</u>	<u>\$ 124,563</u>	<u>\$ 194,054</u>	<u>\$ 69,491</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Local Grants</b>				
Total Revenues and Other Sources	\$ 950,000	\$ 952,000	\$ 1,184,413	\$ 232,413
Total Expenditures and Other Uses	<u>1,005,877</u>	<u>1,235,297</u>	<u>1,235,297</u>	<u>-</u>
Net Change in Fund Balances	(55,877)	(283,297)	(50,884)	232,413
Fund Balance at Beginning of Year	594,222	594,222	594,222	-
Prior Year Encumbrances Appropriated	<u>68,911</u>	<u>68,911</u>	<u>68,911</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 607,256</u>	<u>\$ 379,836</u>	<u>\$ 612,249</u>	<u>\$ 232,413</u>
<b>Self Insurance</b>				
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>
<b>Termination Benefits</b>				
Total Revenues and Other Sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
Total Expenditures and Other Uses	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 175,743</u>	<u>\$ (175,743)</u>
Net Change in Fund Balances	(600,000)	-	1,324,257	1,324,257
Fund Balance at Beginning of Year	<u>2,300,000</u>	<u>2,300,000</u>	<u>2,300,000</u>	<u>\$ -</u>
Fund Balance at End of Year	<u>\$ 1,700,000</u>	<u>\$ 2,300,000</u>	<u>\$ 3,624,257</u>	<u>\$ 1,324,257</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Library Debt Service</b>				
Total Revenues and Other Sources	\$ 107,000	\$ 107,000	\$ 53,910	\$ (53,090)
Total Expenditures and Other Uses	<u>146,530</u>	<u>143,822</u>	<u>143,822</u>	<u>-</u>
Net Change in Fund Balances	(39,530)	(36,822)	(89,912)	(53,090)
Fund Balance at Beginning of Year	<u>277,518</u>	<u>277,518</u>	<u>277,518</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 237,988</u>	<u>\$ 240,696</u>	<u>\$ 187,606</u>	<u>\$ (53,090)</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, 2014

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 2,997,374	\$ 779,168	\$ 700,515	\$ 4,477,057
Cash in segregated accounts. . . . .	-	209,504	-	209,504
Total assets. . . . .	<u>\$ 2,997,374</u>	<u>\$ 988,672</u>	<u>\$ 700,515</u>	<u>\$ 4,686,561</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ -	\$ 1,630	\$ 1,630
Contracts payable. . . . .	93,077	316,694	-	\$ 409,771
Retainage payable . . . . .	-	209,504	-	209,504
Total liabilities. . . . .	<u>93,077</u>	<u>526,198</u>	<u>1,630</u>	<u>620,905</u>
<b>Fund balances:</b>				
Restricted:				
Capital improvements . . . . .	<u>2,904,297</u>	<u>462,474</u>	<u>698,885</u>	<u>4,065,656</u>
Total fund balances. . . . .	<u>2,904,297</u>	<u>462,474</u>	<u>698,885</u>	<u>4,065,656</u>
Total liabilities, deferred inflow and fund balances . .	<u>\$ 2,997,374</u>	<u>\$ 988,672</u>	<u>\$ 700,515</u>	<u>\$ 4,686,561</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, 2014

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 120	\$ 1,295	\$ -	\$ 1,415
Rental income . . . . .	47,520	-	-	47,520
Other local revenues . . . . .	93,289	-	-	93,289
<b>Total revenues . . . . .</b>	<u>140,929</u>	<u>1,295</u>	<u>-</u>	<u>142,224</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	169,300	-	-	169,300
Support services:				
Operations and maintenance . . . . .	8,581	-	-	8,581
Operation of non-instructional services:				
Other non-instructional services . . . . .	7,858	-	-	7,858
Facilities acquisition and construction . . . . .	534,865	2,329,214	460,955	3,325,034
<b>Total expenditures . . . . .</b>	<u>720,604</u>	<u>2,329,214</u>	<u>460,955</u>	<u>3,510,773</u>
Excess of expenditures over revenues . . . . .	(579,675)	(2,327,919)	(460,955)	(3,368,549)
<b>Other financing sources:</b>				
Transfers in . . . . .	1,000,000	-	-	1,000,000
<b>Total other financing sources . . . . .</b>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balances . . . . .	420,325	(2,327,919)	(460,955)	(2,368,549)
<b>Fund balances at beginning of year . . . . .</b>	<u>2,483,972</u>	<u>2,790,393</u>	<u>1,159,840</u>	<u>6,434,205</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,904,297</u>	<u>\$ 462,474</u>	<u>\$ 698,885</u>	<u>\$ 4,065,656</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Permanent Improvement</b>				
Total Revenues and Other Sources	\$ 190,000	\$ 1,256,410	\$ 1,306,864	\$ 50,454
Total Expenditures and Other Uses	<u>613,400</u>	<u>1,176,852</u>	<u>1,176,852</u>	<u>-</u>
Net Change in Fund Balances	(423,400)	79,558	130,012	50,454
Fund Balance at Beginning of Year	2,183,137	2,183,137	2,183,137	-
Prior Year Encumbrances Appropriated	<u>134,900</u>	<u>134,900</u>	<u>134,900</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,894,637</u>	<u>\$ 2,397,595</u>	<u>\$ 2,448,049</u>	<u>\$ 50,454</u>
<b>Building</b>				
Total Revenues and Other Sources	\$ 2,000	\$ 2,000	\$ 1,295	\$ (705)
Total Expenditures and Other Uses	<u>2,528,191</u>	<u>2,908,207</u>	<u>2,907,857</u>	<u>350</u>
Net Change in Fund Balances	(2,526,191)	(2,906,207)	(2,906,562)	(355)
Fund Balance at Beginning of Year	1,294,098	1,294,098	1,294,098	-
Prior Year Encumbrances Appropriated	<u>1,828,488</u>	<u>1,828,488</u>	<u>1,828,488</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 596,395</u>	<u>\$ 216,379</u>	<u>\$ 216,024</u>	<u>\$ (355)</u>
<b>Classroom Facilities</b>				
Total Revenues and Other Sources	\$ -	\$ 126,856	\$ -	\$ (126,856)
Total Expenditures and Other Uses	<u>1,172,714</u>	<u>1,172,714</u>	<u>916,456</u>	<u>256,258</u>
Net Change in Fund Balances	(1,172,714)	(1,045,858)	(916,456)	129,402
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>1,172,714</u>	<u>1,172,714</u>	<u>1,172,714</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 126,856</u>	<u>\$ 256,258</u>	<u>\$ 129,402</u>

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

**Fiduciary Funds**

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

**Agency Funds**

**District Agency**

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, 2014

	<b>Beginning Balance July 1, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance July 1, 2014</b>
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 72,397	\$ 211,183	\$ 218,996	\$ 64,584
Total assets . . . . .	<u>\$ 72,397</u>	<u>\$ 211,183</u>	<u>\$ 218,996</u>	<u>\$ 64,584</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 16,105	\$ 22,571	\$ 16,105	\$ 22,571
Intergovernmental payable. . . . .	7,881	7,988	7,881	7,988
Deposits held and due to others. . . . .	48,411	180,624	195,010	34,025
Total liabilities . . . . .	<u>\$ 72,397</u>	<u>\$ 211,183</u>	<u>\$ 218,996</u>	<u>\$ 64,584</u>
<b>Student Activity</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 156,193	\$ 175,095	\$ 201,058	\$ 130,230
Total assets . . . . .	<u>\$ 156,193</u>	<u>\$ 175,095</u>	<u>\$ 201,058</u>	<u>\$ 130,230</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 3,350	\$ 9,717	\$ 3,350	\$ 9,717
Due to students . . . . .	152,843	165,378	197,708	120,513
Total liabilities. . . . .	<u>\$ 156,193</u>	<u>\$ 175,095</u>	<u>\$ 201,058</u>	<u>\$ 130,230</u>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 228,590	\$ 386,278	\$ 420,054	\$ 194,814
Total assets . . . . .	<u>\$ 228,590</u>	<u>\$ 386,278</u>	<u>\$ 420,054</u>	<u>\$ 194,814</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 19,455	\$ 32,288	\$ 19,455	\$ 32,288
Intergovernmental payable. . . . .	7,881	7,988	7,881	7,988
Deposits held and due to others . . . . .	48,411	180,624	195,010	34,025
Due to students . . . . .	152,843	165,378	197,708	120,513
Total liabilities. . . . .	<u>\$ 228,590</u>	<u>\$ 386,278</u>	<u>\$ 420,054</u>	<u>\$ 194,814</u>

# STATISTICAL SECTION

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

STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>S 2-15</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>S 16-21</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>S 22-25</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>S 26-27</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>S 28-35</b>

**Sources:** Sources are noted on the individual schedules.

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

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

	<u>2014</u>	<u>2013</u>	<u>2012 (2)</u>	<u>2011 (1)</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 49,003,234	\$ 50,969,833	\$ 49,036,160	\$ 26,012,261
Restricted	13,471,914	14,188,211	15,100,633	42,658,687
Unrestricted (deficit)	18,490,827	14,377,478	6,287,194	1,238,352
Total governmental activities net position	<u>\$ 80,965,975</u>	<u>\$ 79,535,522</u>	<u>\$ 70,423,987</u>	<u>\$ 69,909,300</u>

(1) Amounts for 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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 8,748,029	\$ 8,765,183	\$ 7,887,455	\$ 7,639,245	\$ 5,680,217	\$ 6,170,204
79,798,417	78,804,109	23,739,089	18,391,211	16,510,606	15,221,567
(16,176,349)	(5,250,879)	(4,668,772)	(2,730,099)	(3,513,717)	(2,973,644)
<u>\$ 72,370,097</u>	<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>

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

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

	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 54,421,633	\$ 48,191,201	\$ 47,965,763	\$ 53,303,768
Special	13,059,009	8,872,090	8,396,846	9,164,454
Vocational	413,924	332,180	438,906	1,039,530
Adult/continuing	-	-	-	-
Other instructional	3,833,072	3,852,328	3,417,335	2,973,424
Support services:				
Pupil	6,284,145	5,481,281	4,903,756	5,389,487
Instructional staff	5,024,779	6,283,346	5,487,355	7,518,291
Board of education	670,829	509,010	528,244	716,717
Administration	7,957,351	7,878,590	8,099,300	8,301,524
Fiscal	1,988,705	1,928,272	1,854,338	1,867,031
Business	399,604	552,441	540,477	509,414
Operations and maintenance	10,989,488	10,547,461	10,440,229	9,890,158
Pupil transportation	5,811,014	5,335,857	5,556,206	5,621,125
Central	65,492	85,766	157,325	175,403
Operation of non-instructional services:				
Other non-instructional services	628,776	444,275	48,703	54,984
Food service operations	5,067,549	4,795,927	4,480,977	4,773,849
Extracurricular activities	2,576,374	2,435,911	2,219,007	2,777,341
Interest and fiscal charges	6,822,724	7,277,760	7,142,096	8,865,592
Total governmental activities expenses	<u>126,014,468</u>	<u>114,803,696</u>	<u>111,676,863</u>	<u>122,942,092</u>

<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
\$ 55,599,841	\$ 49,069,735	\$ 47,880,000	\$ 45,562,366	\$ 42,690,019	\$ 40,326,102
8,960,949	7,847,020	7,249,632	6,782,936	5,977,721	5,423,614
1,114,525	1,115,837	1,098,881	1,074,249	1,034,985	890,084
-	-	-	-	-	10,895
3,055,912	2,824,261	2,413,847	2,217,708	1,796,253	1,581,660
5,150,296	4,669,725	4,422,909	4,196,561	4,036,154	3,942,233
7,571,863	6,755,547	5,837,143	5,741,358	4,983,317	4,413,385
575,199	528,045	522,851	455,248	501,735	404,032
8,822,490	7,916,045	7,476,862	7,273,966	7,037,059	6,322,386
1,744,987	1,718,035	1,789,425	1,571,452	1,499,551	1,386,034
578,191	624,827	44,051	185,988	175,317	192,496
9,740,418	9,375,277	9,267,414	8,238,497	9,428,349	9,238,371
5,966,014	5,034,148	5,701,343	5,286,583	4,501,482	3,998,024
171,148	176,045	162,150	50,333	74,200	87,250
73,232	72,379	65,316	124,132	86,613	84,897
4,379,685	4,134,640	3,635,100	3,224,778	3,420,780	3,068,309
3,135,454	2,799,921	2,772,116	2,503,424	2,577,848	2,557,801
8,540,803	8,870,980	8,899,230	7,157,888	5,477,377	6,422,079
<u>125,181,007</u>	<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>

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

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

<b>Program Revenues</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 319,741	\$ 396,667	\$ 400,762	\$ 591,367
Special	146,445	332,353	110,326	119,792
Vocational	-	-	-	-
Other instructional	-	-	-	-
Support services:				
Instructional staff	-	-	-	-
Board of education	-	-	-	-
Administration	-	-	-	334
Operations and maintenance	351,608	413,452	238,207	215,484
Pupil transportation	-	-	-	-
Operation of non-instructional services:				
Other non-instructional services	515,010	426,313	-	-
Food service operations	2,708,492	2,599,874	2,602,529	2,699,934
Extracurricular activities	1,741,297	1,754,879	1,792,450	1,167,595
Interest and fiscal charges	-	-	-	-
Operating grants and contributions:				
Instruction:				
Regular	1,971,431	1,206,510	1,035,249	5,574,084
Special	6,304,235	3,260,158	3,610,517	4,232,299
Vocational	108,287	161,459	258,492	161,459
Other instructional	-	-	-	110,711
Support services:				
Pupil	177,561	280,821	156,673	906,355
Instructional staff	167,773	699,679	529,648	771,985
Board of education	-	-	5,993	-
Administration	70,823	104,550	143,298	196,426
Fiscal	-	-	11,070	-
Operations and maintenance	88	-	-	924
Pupil transportation	297,878	289,399	244,477	231,061
Central	-	-	13,722	1,047
Operation of non-instructional services:				
Other non-instructional services	6,464	22,334	12,096	8,090
Food service operations	1,608,529	1,731,032	1,267,175	1,462,317
Extracurricular activities	54,240	144,887	58,518	42,975
Capital grants and contributions:				
Support services:				
Instructional staff	-	-	-	-
Pupil transportation	-	-	-	-
Total governmental program revenues	<u>16,549,902</u>	<u>13,824,367</u>	<u>12,491,202</u>	<u>18,494,239</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>\$ (109,464,566)</u>	<u>\$ (100,979,329)</u>	<u>\$ (99,185,661)</u>	<u>\$ (104,447,853)</u>

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 860,381	\$ 901,498	\$ 801,384	\$ 749,201	\$ 805,693	\$ 784,692
106,344	108,657	91,572	3,103	-	-
-	139	187	-	-	-
10,697	5,022	6,031	-	-	-
31,957	15,959	89,088	29,505	53,191	93,499
-	-	-	-	770	1,393
-	885	282	1,567	2,040	-
54,363	-	82,536	80,485	94,134	78,501
-	91,567	-	-	-	-
63,026	-	75,782	-	45,858	30,390
2,625,572	2,568,292	2,458,391	2,321,306	2,259,423	2,173,639
1,116,425	1,200,698	972,586	951,885	757,652	770,200
-	-	-	140,458	-	-
2,564,164	542,764	591,395	529,021	422,001	515,057
2,120,356	3,943,115	3,219,492	3,005,521	486,464	532,541
160,257	164,317	147,101	159,709	-	878
78,617	6,514	-	-	-	-
664,504	607,168	513,983	580,490	460,779	621,677
980,809	575,271	403,977	389,625	363,616	280,000
-	-	-	-	498	-
192,050	167,290	116,717	135,547	110,252	78,249
-	-	32,306	32,728	7,997	-
4,600	21,308	1,075	12,722	108,387	39,279
232,614	221,562	200,395	223,805	175,849	3,437
-	1,690	3,134	796	18,670	25,511
23,636	51,795	8,660	113,868	46,135	42,546
1,188,141	1,011,157	900,180	758,837	836,266	672,054
208,391	163,631	159,950	153,398	264,253	113,753
-	-	-	-	91,776	69,720
-	82,369	44,517	64,544	-	-
<u>13,286,904</u>	<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>\$ (111,894,103)</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>

**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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 35,414,027	\$ 35,135,446	\$ 29,651,216	\$ 28,516,543
Debt service	12,455,646	13,164,444	12,190,336	13,419,079
Facility maintenance	396,949	390,768	350,108	376,312
Capital projects	-	-	-	-
School district income tax	15,270,666	14,590,961	14,182,466	13,646,693
Grants and entitlements not restricted to specific programs	46,905,607	46,307,569	45,157,451	44,587,183
Grants and entitlements restricted for Ohio School Facilities Commission	-	-	-	-
Payment in lieu of taxes	125,277	250,434	152,625	231,511
Investment earnings	107,548	109,951	91,970	206,830
Miscellaneous	219,299	141,291	142,219	104,079
Total governmental activities	<u>110,895,019</u>	<u>110,090,864</u>	<u>101,918,391</u>	<u>101,088,230</u>
Special Item:				
Refund from OME-RESA	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 110,895,019</u>	<u>\$ 110,090,864</u>	<u>\$ 101,918,391</u>	<u>\$ 101,088,230</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 1,430,453</u>	<u>\$ 9,111,535</u>	<u>\$ 2,732,730</u>	<u>\$ (3,359,623)</u>

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

Source: School District financial records.



<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
\$ 27,409,960	\$ 28,346,890	\$ 27,592,489	\$ 25,849,872	\$ 23,527,946	\$ 24,291,458
12,690,376	13,086,748	13,032,040	11,451,584	8,315,839	8,815,701
359,894	370,320	367,422	362,940	330,505	342,193
-	-	-	-	-	4
12,328,783	12,707,691	12,722,150	12,303,735	10,830,531	10,232,657
48,622,410	47,962,247	44,083,762	42,499,856	43,661,527	40,865,256
-	52,387,820	-	-	-	-
93,764	93,577	-	-	-	-
311,036	1,438,880	3,798,530	3,171,236	1,370,041	786,837
129,564	46,267	378,571	114,942	109,646	4,493
<u>101,945,787</u>	<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>
-	-	-	78,432	-	-
-	-	-	78,432	-	-
<u>\$ 101,945,787</u>	<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>\$ (9,948,316)</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>

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:				
Nonspendable	\$ 118,500	\$ 107,625	\$ 108,010	\$ 108,045
Restricted	-	22,684	22,684	22,684
Committed	3,624,257	2,210,191	300,000	300,000
Assigned	1,822,635	2,550,378	2,050,500	2,641,294
Unassigned	16,572,130	11,395,873	6,265,808	110,176
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total general fund	<u>\$ 22,137,522</u>	<u>\$ 16,286,751</u>	<u>\$ 8,747,002</u>	<u>\$ 3,182,199</u>
All Other Governmental Funds:				
Nonspendable	\$ 64,316	\$ 39,850	\$ 58,429	\$ 38,990
Restricted	24,643,125	27,473,193	31,574,010	40,828,063
Unassigned (deficit)	(679,630)	(244,534)	(76,568)	(204,867)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>24,027,811</u>	<u>27,268,509</u>	<u>31,555,871</u>	<u>40,662,186</u>
Total governmental funds	<u>\$ 46,165,333</u>	<u>\$ 43,555,260</u>	<u>\$ 40,302,873</u>	<u>\$ 43,844,385</u>

**Source:** School District financial records.

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

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,727,023	4,482,583	4,040,380	5,752,961	6,619,476	5,319,738
<u>2,458,979</u>	<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>\$ 6,186,002</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
21,517,418	22,637,462	48,142,449	20,186,286	12,800,490	11,665,682
5,820,541	4,817,266	4,909,347	4,260,742	3,790,669	3,209,491
<u>10,962,492</u>	<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>38,300,451</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>\$ 44,486,453</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>

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 48,582,958	\$ 48,507,280	\$ 42,782,880	\$ 41,258,734
Income taxes	15,188,075	14,596,621	14,139,974	13,600,552
Payment in lieu of taxes	125,277	250,434	152,625	231,511
Tuition	466,186	691,700	511,088	393,460
Earnings on investments	111,370	110,194	121,009	195,227
Charges for services	2,708,492	2,599,874	2,602,529	2,699,934
Extracurricular	1,274,825	1,368,600	1,319,523	1,084,725
Classroom materials and fees	466,472	386,279	472,927	436,836
Rental income	351,608	413,452	238,207	207,801
Contributions and donations	109,366	88,835	74,891	44,207
Contract services	515,010	463,633	394,464	-
Other local revenues	299,273	309,260	277,265	211,260
Intergovernmental - state	52,762,757	49,940,626	66,401,300	69,553,463
Intergovernmental - federal	4,406,656	4,110,319	6,491,029	8,288,504
Total revenues	<u>127,368,325</u>	<u>123,837,107</u>	<u>135,979,711</u>	<u>138,206,214</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	45,750,261	42,339,621	43,181,514	46,784,345
Special	12,356,400	8,538,566	8,155,136	8,878,709
Vocational	411,316	308,389	418,464	1,061,573
Adult/Continuing	-	-	-	-
Other	3,721,804	3,833,367	3,410,655	2,966,744
Current:				
Pupil	5,969,392	5,265,106	4,787,908	5,217,514
Instructional staff	4,473,080	5,818,828	5,102,064	7,130,627
Board of education	651,376	506,489	522,884	711,357
Administration	7,530,249	7,656,407	7,954,131	8,240,838
Fiscal	1,925,144	1,926,529	1,854,292	1,865,065
Business	390,550	546,366	535,674	502,468
Operations and maintenance	10,202,628	10,084,344	9,991,213	9,648,741
Pupil transportation	5,499,852	5,130,192	5,385,979	5,445,342
Central	63,593	85,341	165,403	175,442
Operation of non-instructional services:				
Other non-instructional services	610,543	442,074	48,703	54,984
Food service operations	4,163,019	4,003,238	3,839,705	4,180,731
Extracurricular activities	2,350,863	2,263,488	2,053,384	2,585,584
Facilities acquisitions and construction	3,437,010	6,652,260	27,039,867	18,928,748
Capital outlay	1,669,919	925,275	-	-
Debt service:				
Principal retirement	10,185,887	10,000,103	9,770,591	9,030,543
Interest and fiscal charges	5,065,285	5,184,012	5,303,656	5,438,927
Bond issuance costs	-	-	-	-
Total expenditures	<u>126,428,171</u>	<u>121,509,995</u>	<u>139,521,223</u>	<u>138,848,282</u>
Excess (deficiency) of revenues over (under) expenditures	940,154	2,327,112	(3,541,512)	(642,068)

2010	2009	2008	2007	2006	2005
\$ 41,103,153	\$ 41,292,565	\$ 41,374,565	\$ 36,574,014	\$ 32,106,102	\$ 33,010,092
12,328,783	12,707,691	12,722,150	12,303,735	10,830,531	10,232,657
93,764	-	-	-	-	-
431,780	462,861	502,651	364,682	385,844	286,220
379,180	1,549,097	4,248,136	2,774,353	1,277,723	714,940
2,625,572	2,568,292	2,458,391	2,321,306	2,259,423	2,173,639
1,015,191	987,737	990,206	924,704	870,861	805,804
498,254	479,304	471,680	471,038	423,830	467,455
212,066	392,681	28,800	140,458	-	-
115,477	109,700	-	-	-	-
-	51,244	-	-	-	-
315,056	228,291	682,034	442,059	576,289	408,438
59,931,199	51,990,846	47,605,837	45,708,793	43,900,733	41,317,653
7,685,262	3,236,286	3,088,903	2,541,278	2,389,178	2,358,521
<u>126,734,737</u>	<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>
46,539,027	45,788,488	44,385,494	42,491,231	39,459,304	36,981,507
8,774,522	7,672,561	7,085,188	6,630,911	5,836,223	5,225,258
1,080,428	1,099,164	1,107,582	1,051,999	1,036,313	868,236
-	-	-	-	-	10,895
3,049,232	2,817,581	2,404,790	2,216,745	1,796,253	1,581,660
4,976,200	4,467,457	4,323,183	4,100,926	3,946,185	3,802,951
7,416,364	6,481,033	5,602,688	5,477,664	4,687,075	4,156,800
569,839	522,685	517,491	449,888	496,375	398,672
8,668,252	7,899,344	7,548,391	7,319,310	6,900,352	6,238,029
1,736,225	1,721,471	1,798,451	1,570,047	1,495,489	1,380,806
572,732	618,494	85,315	186,834	173,830	190,505
9,340,562	8,764,331	8,316,116	7,470,768	7,729,018	7,369,327
6,247,484	4,979,336	5,516,101	5,346,721	4,596,388	4,335,936
165,243	171,022	162,150	83,733	74,200	87,250
73,232	72,379	65,316	124,132	86,613	84,897
3,989,268	3,621,376	3,256,499	2,755,163	2,973,652	2,618,111
2,975,439	2,631,807	2,612,138	2,347,040	2,440,691	2,417,915
6,838,942	34,760,364	16,959,574	4,931,875	2,237,784	2,180,142
-	-	-	-	-	-
8,532,187	7,962,219	7,445,000	5,655,780	4,015,000	3,286,383
5,742,451	5,928,532	6,077,208	4,427,777	3,561,879	4,760,403
-	-	-	460,097	524,754	-
<u>127,287,629</u>	<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>
(552,892)	(31,923,049)	(11,095,322)	(532,221)	953,136	3,799,736

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 1,000,000	\$ 1,397,457	\$ 1,100,000	\$ -
Transfers (out)	(1,000,000)	(1,397,457)	(1,100,000)	-
Premium on refunding bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Lease purchase transaction	1,669,919	925,275	-	-
Total other financing sources	<u>1,669,919</u>	<u>925,275</u>	<u>-</u>	<u>-</u>
<b>Special Item</b>				
Refund from OME-RESA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,610,073</u>	<u>\$ 3,252,387</u>	<u>\$ (3,541,512)</u>	<u>\$ (642,068)</u>
Capital expenditures	\$ 269,320	\$ 7,086,162	\$ 26,855,794	\$ 17,295,601
Debt service as a percentage of noncapital expenditures	12.09%	13.27%	13.38%	11.90%

**Source:** School District financial records.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 2,000,000	\$ -	\$ -	\$ -	\$ 665,886	\$ 333,000
(2,000,000)	-	-	-	(665,886)	(333,000)
-	-	-	1,211,944	3,459,639	-
-	162	-	-	-	-
-	-	-	59,900,000	67,779,907	-
-	-	-	-	(70,714,793)	-
-	-	-	1,432,601	-	-
-	162	-	62,544,545	524,753	-
-	-	-	78,432	-	-
<u>\$ (552,892)</u>	<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>
\$ 3,787,618	\$ 34,603,839	\$ 16,471,688	\$ 4,579,641	\$ 962,556	\$ 801,243
11.56%	12.25%	12.43%	10.49%	8.70%	9.23%

**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
2013	\$ 1,085,034,410	\$ 3,100,098,314	\$ -	\$ -	\$ 18,770,810	\$ 75,083,240
2012	1,111,113,150	3,174,609,000	-	-	18,106,270	72,425,080
2011	1,098,339,860	3,138,113,886	-	-	14,927,250	59,709,000
2010	1,101,144,820	3,146,128,057	415,910	1,663,640	14,451,250	57,805,000
2009	1,142,219,960	3,263,485,600	819,627	3,278,508	13,415,950	38,331,286
2008	1,122,774,350	3,207,926,714	5,172,720	20,690,880	12,697,600	36,278,857
2007	1,122,831,790	3,208,090,829	4,844,002	19,376,008	12,640,160	36,114,743
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

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

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

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

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



		<b>Total</b>		
<b>Total Direct Tax Rate</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	
\$ 84.70	\$ 1,103,805,220	\$ 3,175,181,554	34.76%	
85.40	1,129,219,420	3,247,034,080	34.78%	
85.90	1,113,267,110	3,197,822,886	34.81%	
80.70	1,116,011,980	3,205,596,697	34.81%	
80.10	1,156,455,537	3,305,095,394	34.99%	
79.70	1,140,644,670	3,264,896,451	34.94%	
80.20	1,140,315,952	3,263,581,579	34.94%	
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%	

**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					Total
						Voted					
						General	Bond	Classroom Facilities	Permanent Improvement	Unvoted	
2013/2014	18.47	8.55	7.80	0.70	2.90	67.70	12.00	0.50	-	4.50	84.70
2012/2013	18.47	8.55	7.80	0.70	2.30	67.70	12.70	0.50	-	4.50	85.40
2011/2012	18.07	8.55	7.80	0.70	2.90	67.70	13.20	0.50	-	4.50	85.90
2010/2011	18.07	8.55	7.80	0.70	2.90	62.20	13.50	0.50	-	4.50	80.70
2009/2010	18.02	8.55	7.80	0.70	2.90	62.20	12.90	0.50	-	4.50	80.10
2008/2009	18.02	7.55	7.80	0.70	2.90	62.20	12.50	0.50	-	4.50	79.70
2007/2008	18.49	7.55	7.80	0.70	2.90	62.20	13.00	0.50	-	4.50	80.20
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

Source: Fairfield County and Franklin County Auditor's Offices

<b>Madison Township</b>	<b>Madison Township - City of Pickerington</b>	<b>Violet Township</b>	<b>Violet City of Pickerington/ Reynoldsburg</b>	<b>Liberty Township</b>	<b>School District Public Library</b>	<b>Eastland Joint Vocational School</b>	<b>Tax Year/ Collection Year</b>
21.80	21.20	14.05	12.35	11.57	0.75	2.00	2013/2014
21.80	21.20	14.05	12.35	11.57	0.75	2.00	2012/2013
21.80	21.20	14.05	12.35	11.57	0.85	2.00	2011/2012
21.80	21.20	14.05	12.35	11.57	0.87	2.00	2010/2011
21.80	21.20	14.05	12.35	11.57	0.90	2.00	2009/2010
21.80	21.20	14.05	12.35	11.57	0.15	2.00	2008/2009
21.80	21.20	13.85	12.15	11.57	0.15	2.00	2007/2008
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

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

PRINCIPAL PROPERTY TAX PAYERS  
DECEMBER 31, 2013 AND DECEMBER 31, 2004

<b>December 31, 2013</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Creekside I Acouisation LLC	\$ 6,936,370	1	0.63%
South Central Power Company	6,486,940	2	0.59%
Pickerington Apartments LLC	5,946,260	3	0.54%
Lakes Edge	4,964,150	4	0.45%
AERC Turnberry Goldings LLC	4,685,330	5	0.42%
Regency Centers LP	4,663,240	6	0.42%
Pickerington Square LP	4,343,130	7	0.39%
Target Corporation	3,898,410	8	0.35%
OH Retail II LL LLC	3,841,130	9	0.35%
Pickerington Plaza LP	3,691,120	10	0.33%
<b>Total</b>	<b>\$ 49,456,080</b>		<b>\$ 1,103,805,220</b>

<b>December 31, 2004</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
ANYI Apartments LLC	\$ 7,658,750	1	0.80%
NOCA Apartments One Limited	5,436,030	2	0.57%
South Central Power Company	4,103,430	3	0.43%
AERC Turnbury Inc.	4,025,000	4	0.42%
Regency Centers LP	3,972,080	5	0.42%
Diley Road Associates LLC	3,962,570	6	0.41%
Lakes Edge Partnership	3,932,590	7	0.41%
Brooksedge at Tussing, Inc.	3,465,000	8	0.36%
Interstate Limited Partnership	3,360,790	9	0.35%
Homewood Corporation	2,886,290	10	0.30%
<b>Total</b>	<b>\$ 42,802,530</b>		<b>\$ 956,008,640</b>

Source: Fairfield County Auditor's Office

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

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

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>	<b>Delinquent Collection (1)</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy (1)</b>
2013/2014	\$ 51,574,634	\$ 50,546,135	98.01%	\$ 1,014,241	\$ 51,560,376	99.97%
2012/2013	53,150,255	52,056,550	97.94%	983,980	53,040,530	99.79%
2011/2012	52,683,360	51,537,170	97.82%	841,025	52,378,195	99.42%
2010/2011	47,007,065	45,820,100	97.47%	1,690,921	47,511,021	101.07%
2009/2010	45,892,289	44,294,246	96.52%	1,265,356	45,559,602	99.28%
2008/2009	45,497,947	43,960,111	96.62%	1,404,352	45,364,463	99.71%
2007/2008	42,910,126	41,355,774	96.38%	1,140,168	42,495,942	99.03%
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%

**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				
2014	\$ 133,353,371	\$ 2,685,485	\$ 136,038,856	\$ 7,183	\$ 13,357	0.232268901
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%

**Sources:**

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

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

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

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

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Less: Net Position Restricted for Debt Service</b>	<b>Net Bonded Debt</b>		
2014	\$ 133,353,371	\$ 3,562,647	\$ 129,790,724	4.09%	\$ 6,853
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

(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, 2014

<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	8,975,000	33.82%	3,035,345
Franklin County	242,890,000	0.06%	145,734
City of Canal Winchester	2,660,235	0.05%	1,330
City of Columbus	1,733,358,636	0.98%	16,986,915
City of Pickerington	13,225,000	99.87%	13,207,808
City of Reynoldsburg	2,954,400	3.72%	109,904
Madison Township	202,347	0.47%	951
Violet Township	2,440,000	95.12%	2,320,928
Eastland-Fairfield Career & Technical JVS District	2,800,000	15.65%	438,200
	<u>2,009,505,618</u>		<u>36,247,115</u>
Total direct and overlapping debt	<u>\$ 2,152,219,212</u>		<u>\$ 178,960,709</u>

**Source:** Ohio Municipal Advisory Council

**Note:** Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision.



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

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin (A)</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2014	\$ 99,342,470	\$ 121,582,555	\$ 15,116,501	\$ 106,466,054	\$ (7,123,584)	107.17%
2013	101,629,748	127,739,785	15,482,227	112,257,558	(10,627,810)	110.46%
2012	100,194,040	133,357,508	15,883,788	117,473,720	(17,279,680)	117.25%
2011	100,403,646	139,015,433	16,812,713	122,202,720	(21,799,074)	121.71%
2010	104,007,232	144,911,786	16,532,873	128,378,913	(24,371,681)	123.43%
2009	102,653,563	151,585,255	16,163,075	135,422,180	(32,768,617)	131.92%
2008	102,175,834	157,879,129	15,114,548	142,764,581	(40,588,747)	139.72%
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%

**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>
2014	18,938	\$ 30,927	\$ 585,695,526	32.9	10,185	4.0%	5.3%	5.8%
2013	18,632	31,227	581,821,464	32.9	10,209	6.3%	7.2%	7.4%
2012	18,396	29,636	545,183,856	32.9	10,285	5.6%	6.9%	7.9%
2011	14,978	30,612	458,506,536	32.9	10,608	7.5%	9.0%	9.0%
2010	14,728	25,839	380,556,792	32.7	10,552	9.5%	10.4%	9.6%
2009	14,621	25,839	377,792,019	32.7	10,401	9.1%	11.1%	9.5%
2008	14,476	25,839	374,045,364	32.7	10,204	5.0%	6.7%	5.7%
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%

(1) Mid-Ohio Regional Planning Commission

(2) U. S. Census Bureau

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

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

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

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>Employer</b>	<b>December 31, 2013</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Pickerington Local School District	1,150	1	12.58%
Kroger Company, Inc.	329	2	3.59%
Kohl's Department Stores	319	3	3.49%
Roosters	266	4	2.91%
Tamarkin Company, Inc.	260	5	2.84%
Cracker Barrel Restaurant	247	6	2.70%
Pickerington Assisted Living LLC	187	7	2.05%
Kindred Nursing Center	150	8	1.64%
Steak N' Shake	146	9	1.60%
McDonalds	139	10	1.52%
Total	<u>3,193</u>		<u>34.93%</u>
Total Employment within the City	<u>9,139</u>		

<b>Employer</b>	<b>December 31, 2004</b>	
	<b>Employees</b>	<b>Rank</b>
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	<u>2,206</u>	
Total Employment within the City (1)	<u>n/a</u>	

**Source:** City of Pickerington CAFR

(1) 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**

<b>Type</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010 (2)</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007 (1)</b>	<b>2006 (1)</b>	<b>2005 (1)</b>
Office - administrative	49.50	44.00	42.50	43.00	41.60	43.50	41.00	39.50	39.00	37.50
Professional - educational	614.43	598.43	587.89	654.00	680.24	676.29	687.10	640.40	591.40	558.80
Professional - other	20.30	23.70	23.70	30.30	27.78	25.60	24.40	25.40	22.10	22.10
Technical	17.34	15.47	16.00	18.50	16.50	13.50	12.50	12.50	12.50	13.00
Office - clerical	105.05	98.56	109.65	126.30	149.35	141.54	138.50	125.60	122.70	109.90
Craft & trade	8.00	12.00	10.00	13.00	12.00	11.00	9.00	9.00	9.00	7.00
Service worker/laborer	136.07	129.82	138.17	136.70	113.70	106.15	106.25	100.60	97.80	95.10
<b>Total</b>	<b>950.69</b>	<b>921.98</b>	<b>927.91</b>	<b>1,021.80</b>	<b>1,041.17</b>	<b>1,017.58</b>	<b>1,018.75</b>	<b>953.00</b>	<b>894.50</b>	<b>843.40</b>

<b>Function</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007 (1)</b>	<b>2006 (1)</b>	<b>2005 (1)</b>
<b>Instruction:</b>										
Regular	471.58	438.20	452.85	520.50	526.07	542.12	552.45	523.10	481.70	476.10
Special	93.50	86.53	83.00	97.20	91.60	89.55	85.35	72.50	66.00	47.90
Vocational	4.20	4.20	2.00	11.00	12.00	12.00	11.80	11.50	12.10	9.70
<b>Support Services:</b>										
Pupil	183.22	186.27	182.72	183.20	181.83	174.26	173.40	169.00	163.40	144.80
Instructional staff	20.40	21.00	26.50	26.50	40.37	19.50	20.50	19.30	18.50	18.80
Administration	43.00	46.75	42.71	43.60	47.60	48.00	45.00	33.00	32.00	30.00
Fiscal	8.00	8.00	8.00	8.00	9.00	8.00	9.00	9.00	9.00	9.00
Business	2.00	2.00	2.00	2.00	2.00	2.00	1.00	2.00	2.00	2.00
Operations and maintenance	82.25	86.37	85.38	87.40	87.75	82.00	79.75	74.00	75.50	70.50
Food service operations	42.54	42.66	42.75	42.40	42.95	40.15	40.50	39.60	34.30	34.60
<b>Total Governmental Activities</b>	<b>950.69</b>	<b>921.98</b>	<b>927.91</b>	<b>1,021.80</b>	<b>1,041.17</b>	<b>1,017.58</b>	<b>1,018.75</b>	<b>953.00</b>	<b>894.50</b>	<b>843.40</b>

**Source:** School District records

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

- (1): These amounts have been changed from what was previously reported to include employees that were not 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**

<b>Function</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Instruction:</b>										
Regular and Special Enrollment (students) *	10,185	10,209	10,285	10,608	10,552	10,401	10,204	10,016	9,723	9,233
Graduates	N/A	N/A	847	844	728	722	669	659	663	606
<b>Support services:</b>										
<b>Board of education</b>										
Regular meetings per year	24	22	21	19	22	16	18	18	18	15
Special meetings per year	3	8	11	14	1	6	5	13	12	13
<b>Administration</b>										
Nonpayroll checks issued	5,261	5,137	5,265	5,690	6,203	6,337	6,222	6,984	6,702	7,680
<b>Pupil transportation</b>										
Avg. students transported daily	5,499	5,739	5,676	5,841	5,783	5,974	6,327	6,538	5,973	5,457
<b>Food service operations</b>										
Meals served to students	1,193,867	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

\*: 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>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>	<u>2010</u>
Land	\$ 9,185,480	\$ 9,185,480	\$ 9,185,480	\$ 9,300,237	\$ 9,300,237
Land improvements	10,499,004	11,406,066	12,318,155	11,612,655	12,468,688
Buildings and improvements	149,498,761	155,897,125	156,486,259	120,185,213	125,387,591
Furniture and equipment	3,019,734	3,544,974	3,084,058	1,695,973	1,928,096
Vehicles	574,525	572,976	765,986	774,935	877,912
Construction in progress	-	-	-	19,821,028	2,692,206
Total Governmental Activities Capital Assets, net	<u>\$ 172,777,504</u>	<u>\$ 180,606,621</u>	<u>\$ 181,839,938</u>	<u>\$ 163,390,041</u>	<u>\$ 152,654,730</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>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 7,754,673	\$ 7,645,730	\$ 7,645,730	\$ 6,090,899	\$ 6,090,899
8,137,713	7,921,473	8,498,320	9,072,627	8,636,895
87,381,727	91,302,686	95,223,643	97,451,837	101,362,695
1,289,372	1,469,165	1,585,862	1,791,751	1,967,504
574,298	583,289	686,636	614,412	513,598
50,924,298	17,435,869	1,158,379	-	278,952
<u>\$156,062,081</u>	<u>\$126,358,212</u>	<u>\$114,798,570</u>	<u>\$115,021,526</u>	<u>\$118,850,543</u>

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

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
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	416	417	392	423	420	778
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	457	439	431	507	535	783
Pickerington Elementary (1977)						
Square feet	46,516	46,516	46,516	46,516	46,516	46,516
Capacity (students)	572	572	572	572	572	372
Enrollment	544	527	512	551	545	745
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	555	556	596	634	670	808
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	346	369	406	368	395	662
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	580	550	542	546	572	837
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	566	598	615	592	604	846
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	860	821	841	870	808	772
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	864	836	862	908	841	865
Pickerington Central High School (1991)						
Square feet	261,099	261,099	261,099	245,652	245,652	245,652
Capacity (students)	1,471	1,471	1,471	1,471	1,471	1,471
Enrollment	1,630	1,630	1,633	1,647	1,619	1,566
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	1,686	1,782	1,759	1,838	1,830	1,739
Sycamore Creek Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	86,695	N/A
Capacity (students)	750	750	750	750	750	N/A
Enrollment	689	693	689	704	653	N/A
Toll Gate Elementary (2009)						
Square feet	86,695	86,695	86,695	86,695	86,695	N/A
Capacity (students)	774	774	774	774	774	N/A
Enrollment	509	508	536	559	565	N/A
Toll Gate Middle School (2009)						
Square feet	101,867	101,867	101,867	101,867	101,867	N/A
Capacity (students)	800	800	800	800	800	N/A
Enrollment	483	483	471	461	495	N/A
Total enrollment by year	10,185	10,209	10,285	10,608	10,552	10,401

**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.



2008	2007	2006	2005
92,544	92,544	92,544	92,544
771	771	771	771
785	736	869	655
48,435	48,435	48,435	48,435
387	787	787	787
769	767	696	659
46,516	46,516	46,516	46,516
372	372	372	372
740	729	773	860
75,501	75,501	75,501	75,501
653	653	653	653
790	811	844	789
46,516	46,516	46,516	46,516
372	372	372	372
675	700	721	747
94,951	94,951	94,951	94,951
693	693	693	693
751	725	684	681
89,211	89,211	89,211	89,211
656	656	656	656
807	850	646	632
115,851	115,851	115,851	115,851
821	821	821	821
819	823	719	637
142,082	142,082	142,082	142,082
1,008	1,008	1,008	1,008
875	860	879	809
245,652	245,652	245,652	245,652
1,471	1,471	1,471	1,471
1,458	1,349	1,216	1,088
323,473	323,473	323,473	323,473
1,937	1,937	1,937	1,937
1,735	1,666	1,676	1,676
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
10,204	10,016	9,723	9,233

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

EDUCATIONAL INDICATORS  
LAST TEN FISCAL YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>3rd Grade Achievement</b> (Initiated March, 2005)										
Reading	90.1%	90.3%	88.8%	87.4%	89.1%	89.7%	89.9%	90.6%	90.6%	90.9%
Mathematics	90.0%	88.1%	88.5%	87.6%	80.3%	87.2%	87.8%	87.0%	83.8%	80.8%
<b>4th Grade Proficiency/Achievement</b> (Initiated March, 1995)										
Reading	94.1%	95.6%	89.2%	90.7%	90.4%	90.8%	93.2%	89.0%	89.5%	89.7%
Writing	N/A	N/A	N/A	N/A	N/A	93.6%	93.2%	90.5%	93.1%	90.3%
Mathematics	85.4%	90.9%	87.1%	86.6%	82.2%	85.5%	83.1%	84.7%	89.7%	82.0%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	77.7%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	83.2%
<b>5th Grade Achievement</b> (Initiated March, 2005)										
Reading	82.4%	85.8%	89.3%	88.8%	81.7%	83.3%	85.1%	89.5%	87.0%	89.6%
Mathematics	78.8%	82.7%	84.3%	79.1%	81.2%	77.2%	75.1%	71.1%	72.3%	N/A
Science	79.8%	82.7%	86.7%	84.9%	84.9%	85.9%	82.2%	82.0%	N/A	N/A
Citizenship	-	N/A	N/A	N/A	N/A	80.2%	83.5%	74.8%	N/A	N/A
<b>6th Grade Proficiency/Achievement</b> (Initiated March, 1996)										
Reading	93.2%	93.0%	96.6%	94.6%	91.9%	91.7%	93.7%	89.4%	94.6%	84.2%
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.6%
Mathematics	87.3%	88.1%	91.9%	88.7%	85.4%	85.2%	89.4%	82.0%	74.7%	80.7%
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80.6%
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	88.5%
<b>7th Grade Achievement</b> (Initiated March, 2005)										
Reading	91.0%	91.6%	93.0%	89.2%	90.6%	90.9%	88.8%	89.5%	91.2%	N/A
Mathematics	71.7%	80.6%	80.4%	79.4%	75.7%	82.8%	76.3%	79.2%	74.8%	71.3%
Writing	N/A	N/A	N/A	N/A	N/A	96.8%	95.2%	93.0%	N/A	N/A
<b>8th Grade Achievement</b> (Initiated March, 2005)										
Reading	95.2%	93.2%	92.8%	94.3%	90.8%	84.7%	82.8%	92.5%	88.7%	90.4%
Mathematics	87.0%	84.6%	86.6%	83.2%	74.0%	78.6%	80.1%	86.2%	81.5%	74.0%
Science	77.8%	80.6%	82.8%	78.1%	78.2%	77.7%	77.6%	81.7%	N/A	N/A
Citizenship	N/A	N/A	N/A	N/A	N/A	68.9%	70.4%	70.7%	N/A	N/A
<b>9th Grade Proficiency</b> (Passing on 1st Attempt)										
Writing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Citizenship	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>10th Grade Ohio Graduation Test (OGT):</b> (Initiated March, 2005)										
Reading	95.3%	95.2%	94.1%	93.6%	90.3%	92.4%	91.4%	94.1%	96.3%	97.2%
Writing	95.1%	91.5%	92.9%	95.2%	91.0%	97.8%	91.5%	94.8%	96.0%	93.0%
Mathematics	89.9%	92.6%	90.3%	91.0%	88.9%	91.8%	90.4%	93.0%	93.6%	92.7%
Science	88.1%	88.1%	88.1%	85.4%	81.2%	89.2%	84.8%	84.3%	88.8%	87.8%
Social Studies	91.3%	91.7%	90.2%	89.7%	88.4%	93.1%	88.1%	87.1%	91.6%	89.8%
<b>ODE Per Pupil Costs</b>										
Pickerington	N/A	N/A	N/A	\$ 9,865	\$ 9,876	\$ 9,623	\$ 9,299	\$ 8,917	\$ 8,834	\$ 8,346
State	N/A	N/A	N/A	\$ 10,571	\$ 10,512	\$ 10,184	\$ 9,939	\$ 9,586	\$ 9,356	\$ 9,048
<b>Pupil/Teacher Ratio</b>	N/A	N/A	N/A	N/A	N/A	N/A	19.10	20.50	20.20	21.00
<b>Student Attendance Rate</b>	95.4%	>95%	95.8%	95.5%	95.4%	95.5%	95.7%	96.4%	96.4%	96.6%
<b>High School Graduation Rate</b>	95.4%	95.0%	91.2%	96.6%	96.6%	95.0%	97.7%	97.9%	98.1%	97.1%
<b>Performance Standards</b>										
Pickerington	20	24	26	26	25	29	29	27	22	21
Number of Standards	24	24	26	26	26	30	30	30	25	23
Rating	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent with Distinction	Excellent	Excellent with Distinction	Excellent with Distinction	Continuous Improvement	Excellent	Effective
<b>Performance Index Score</b>	102.3	103.3	103.5	102.8	100.7	101.8	100.9	100.0	101.1	99.7

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

<b>Fiscal Year</b>	<b>General Government</b>	<b>Governmental Activities</b>	<b>Enrollment (2)</b>	<b>Percent Change</b>	<b>Teaching Staff</b>
	<b>Expenditures (1)</b>	<b>Expenses (1)</b>			
2014	111,176,999	119,191,744	10,185	-0.24%	630
2013	106,325,880	107,525,936	10,209	-0.74%	618
2012	124,446,976	104,534,767	10,285	-3.04%	613
2011	124,378,812	114,076,500	10,608	0.53%	688
2010	113,012,991	116,640,204	10,552	1.45%	707
2009	134,088,893	104,661,487	10,401	1.93%	710
2008	111,746,467	100,339,040	10,204	1.88%	709
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

**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**

**SUPPLEMENTAL REPORTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**

**RYAN JENKINS, TREASURER**

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

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**PICKERINGTON LOCAL SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>				
<i>Child Nutrition Grant Cluster:</i>				
(D) (E) School Breakfast Program	10.553	2014	\$ 172,972	\$ 172,972
(C) (D) National School Lunch Program - Food Donation	10.555	2014	178,627	178,627
(D) (E) National School Lunch Program	10.555	2014	1,229,395	1,229,395
<b>Total National School Lunch Program</b>			<u>1,408,022</u>	<u>1,408,022</u>
<b>Total Child Nutrition Grant Cluster</b>			<u>1,580,994</u>	<u>1,580,994</u>
Tean Nutrition Grant	10.574	2014	1,500	1,500
<b>Total U.S. Department of Agriculture</b>			<u>1,582,494</u>	<u>1,582,494</u>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>				
Title I Grants to Local Educational Agencies	84.010	2013	24,817	63,608
Title I Grants to Local Educational Agencies	84.010	2014	727,064	650,552
<b>Total Title I Grants to Local Educational Agencies</b>			<u>751,881</u>	<u>714,160</u>
Special Education_Grants to States	84.027	2013	201,221	213,986
Special Education_Grants to States	84.027	2014	1,338,469	1,246,085
<b>Total Special Education _Grants to States</b>			<u>1,539,690</u>	<u>1,460,071</u>
Twenty-First Century Community Learning Centers	84.287	2013	33,535	4,580
English Language Acquisition States Grants	84.365	2013	96	1,496
English Language Acquisition States Grants	84.365	2014	51,589	47,026
<b>Total English Language Acquisition States Grant</b>			<u>51,685</u>	<u>48,522</u>
Improving Teacher Quality State Grants	84.367	2013	11,318	15,801
Improving Teacher Quality State Grants	84.367	2014	99,195	67,219
<b>Total Improving Teacher Quality State Grants</b>			<u>110,513</u>	<u>83,020</u>
ARRA - (SFSF) - Race to the Top Incentive Grants, Recovery Act	84.395A	2013	34,005	49,900
ARRA - (SFSF) - Race to the Top Incentive Grants, Recovery Act	84.395A	2014	56,408	54,686
ARRA - (SFSF) - Race to the Top Incentive Grants, Recovery Act - Ohio Performance Assessment Pilot Project	84.395A	2013	8,400	8,400
ARRA - (SFSF) - Race to the Top Incentive Grants, Recovery Act - Ohio Performance Assessment Pilot Project	84.395A	2014	19,800	19,800
<b>Total ARRA - State Fiscal Stabilization Fund (SFSF) - Race to the Top Incentive Grants, Recovery Act</b>			<u>118,613</u>	<u>132,786</u>
<b>Total U.S. Department of Education</b>			<u>2,605,917</u>	<u>2,443,139</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 4,188,411</u>	<u>\$ 4,025,633</u>

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

- (A) OAKS did not assign pass through numbers for fiscal year 2014 for the grants passed through the Ohio Department of Education.
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.
- (D) Included as part of "Child Nutrition Grant Cluster" in determining major programs.
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements and have issued our report thereon dated December 26, 2014.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Pickerington Local School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Pickerington Local School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Pickerington Local School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.



Board of Education  
Pickerington Local School District

***Compliance and Other Matters***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Pickerington Local School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Pickerington Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
December 26, 2014



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

*Serving Ohio Local Governments*

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

**Independent Auditor's Report on Compliance With Requirements Applicable to Each  
Major Federal Program and on Internal Control Over Compliance  
Required by OMB Circular A-133 and the Schedule of  
Receipts and Expenditures of Federal Awards**

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

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Pickerington Local School District's compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Pickerington Local School District's major federal programs for the fiscal year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Pickerington Local School District's major federal programs.

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

The Pickerington Local School District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Pickerington Local School District's compliance for each of the Pickerington Local School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Pickerington Local School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Pickerington Local School District's major programs. However, our audit does not provide a legal determination of the Pickerington Local School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Pickerington Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2014.

Board of Education  
Pickerington Local School District

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

The Pickerington Local School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Pickerington Local School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Pickerington Local School District's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Pickerington Local School District, Fairfield County, Ohio, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Pickerington Local School District's basic financial statements. We issued our unmodified report thereon dated December 26, 2014. We conducted our audit to opine on the Pickerington Local School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
December 26, 2014

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2014**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Title I Grants to Local Education Agencies, CFDA #84.010, Special Education Grants to States, CFDA #84.027
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

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

None

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

**STATUS OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2014**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></b>
2013-001	<u>Financial Statement Findings - Significant Deficiency</u> - Adjustments were noted for intergovernmental receivable and the related revenues on the fund financial statements and capital assets on the government-wide financial statements.	Yes	N/A

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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  
MARCH 26, 2015**