

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011



Dave Yost • Auditor of State

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education:</i>			
Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
School Breakfast Program	10.553	\$48,120	\$48,120
National School Lunch Program	10.555	533,928	533,928
Cash Assistance:			
School Breakfast Program	10.553	68,817	68,817
National School Lunch Program	10.555	763,579	763,579
<i>Total Nutrition Cluster</i>		<u>1,414,444</u>	<u>1,414,444</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE		<u>1,414,444</u>	<u>1,414,444</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	312,043	300,781
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027	1,993,815	1,952,420
Special Education Grants to Preschool	84.173	20,192	20,192
ARRA - Special Education Grants to States, Recovery Act	84.391	1,030,387	1,030,387
ARRA - IDEA Preschool	84.392	62,666	72,696
Total - Special Education Cluster		<u>3,107,060</u>	<u>3,075,695</u>
Safe and Drug-Free School and Communities State Grants	84.186	13,286	18,724
Javits Gifted and Talented Students Education	84.206	2,000	2,000
Education Technology State Grant	84.318	2,562	2,488
Title III-English Language Acquisition Grants	84.365	58,450	58,736
Race to the Top	84.395	41,268	41,268
Title II-A-Improving Teacher Quality	84.367	149,714	146,390
ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	651,408	705,061
TOTAL U.S. DEPARTMENT OF EDUCATION		<u>4,337,791</u>	<u>4,351,143</u>
TOTALS FEDERAL AWARDS RECEIPTS AND EXPENDITURES		<u>\$5,752,235</u>	<u>\$5,765,587</u>

The accompanying notes to this schedule are an integral part of this schedule.

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Olentangy Local School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



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

Olentangy Local School District
Delaware County
814 Shanahan Road
Lewis Center, Ohio 43035

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Olentangy Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2011, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2011-001 to be a significant deficiency. 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.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-001 through 2011-003.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 20, 2011.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

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



Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

December 20, 2011



Dave Yost • Auditor of State

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

Olentangy Local School District
Delaware County
814 Shanahan Road
Lewis Center, Ohio 43035

To the Board of Education:

Compliance

We have audited the compliance of the Olentangy Local School District, Delaware County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to 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 that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with these requirements.

In our opinion, the Olentangy Local School District, Delaware County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

Federal Awards Receipts and Expenditures Schedule

We have also audited and issued our unqualified opinion on the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Olentangy Local School District, Delaware County, Ohio (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. Our opinion also explained that the District adopted *Governmental Accounting Standard No. 54* during the year. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information 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 used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated December 20, 2011.

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



Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

December 20, 2011

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster CFDA #84.027, #84.173, #84.391, #84.392 Title I Grants to Local Education Agencies CFDA #84.010 State Fiscal Stabilization Fund CFDA #84.394
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

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

FINDING NUMBER 2011-001

**Material Noncompliance/Significant Deficiency
- Athletic Bank Accounts**

Policy #7070 – Payment Procedures in the District’s Treasurer’s Handbook states that “[a]ll claims for payment from school district funds will be processed by the treasurer. Payment will be authorized against invoices supported by approved purchase orders...”.

The District has three high schools, each served by its own athletic director. When the District hosts Ohio High School Athletic Association (OHSAA)–sponsored athletic events, related receipts and disbursements are accounted for in outside bank accounts managed by the athletic directors. However, pursuant to Policy #7070, when the schools host district-sponsored athletic events revenues and expenditures are processed through the Treasurer’s office.

Contrary to the above board policy we noted that in addition to using the outside bank accounts for transactions related to OHSAA-sponsored events, the athletic directors also used those accounts to make deposits and disbursements of district funds for district-sponsored athletic events and other miscellaneous activities and fundraisers; these transactions should have been processed through the Treasurer’s office. The Treasurer and Assistant Treasurer did not have knowledge of these outside bank accounts.

Processing transactions related to district-sponsored activities in outside bank accounts circumvents the District’s normal transaction processes, and does not enable the Board of Education and Treasurer to fulfill their obligations of authorization and monitoring of transactions, as well as ensuring district funds are expended for a proper public purpose. Ultimately without the Board and Treasurer’s knowledge of these accounts and transactions there is potential for a misstatement of the District’s financial statements.

We recommend the athletic directors close the outside bank accounts and account for all financial activity through the Treasurer’s Office.

FINDING NUMBER 2011-002

**Finding for Recovery – Repaid Under Audit
– Unsupported Expenditures/Meal Reimbursement**

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2011-002 (Continued)

**Finding for Recovery – Repaid Under Audit
– Unsupported Expenditures/Meal Reimbursement (Continued)**

The Treasurer Handbook’s Travel Meal and Training Reimbursement Policy #7072, provides that “employees must present receipts documenting the actual costs and gratuity of the daily meals. Reimbursement will be made for meals consumed by employees when they are representing the Olentangy School at a planned event that has advanced registration.”

For fiscal years 2008 through 2011 Athletic Director Thomas Gerhardt wrote checks to himself totaling \$380 for meal reimbursements. Mr. Gerhardt did not present receipts documenting the actual cost of the meals or supporting that the meals were consumed while representing the District at a planned event. Further, there was no indication that the school board approved these reimbursements or that they were for an otherwise proper public purpose. Proper supporting documentation should have been maintained to evidence all revenues and expenditures and ensure the accuracy of the financial statement presentation. For expenditures, such documentation should have been received and approved by those with appropriate authority prior to expenditure and maintained to evidence the details of the goods or services purchased. Additionally, these transactions should have been processed through the treasurer’s office so they would be subject to standard processing, allowing the treasurer to fulfill her office’s responsibility of ensuring proper recording and classification, and allowing the Board to carry out its responsibility of monitoring financial transactions.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, Findings for Recovery for public monies illegally expended in favor of the District’s Athletics Fund is hereby issued against Athletic Director Thomas Gerhardt in the amount of \$380 and in favor of the Athletic Fund.

On February 6, 2012 Thomas Gerhardt repaid the District \$380.

FINDING 2011-003

**Findings for Recovery – Repaid Under Audit
– Unsupported Expenditures/Operating Expenses, Supplies, Insurance**

Ohio Rev. Code 149.351(A) states, in pertinent part, that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Sections 149.38 to 149.42 of the Revised Code.

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. **Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose** states that the Auditor of State’s Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING 2011-003 (Continued)

**Findings for Recovery – Repaid Under Audit
– Unsupported Expenditures/Operating Expenses, Supplies, Insurance (Continued)**

The Treasurer’s Handbook’s Purchasing Procedures Policy #7043 provides that “money under the jurisdiction of the Olentangy Board of Education may not be expended except upon a warrant drawn against a specific appropriation and against a specific fund. Therefore, no contract or purchase order for the expenditure of money will be made unless there is attached to it a certificate of the treasurer to the effect that the amount required to meet the contract or purchase order has been appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund, and that is free from previous encumbrance.

Payment Procedures Policy #7070 provides that “all claims for payment from school district funds will be processed by the treasurer. Payment will be authorized against invoices supported by approved purchase orders...”

Contrary to the above policies, the District’s three high school athletic directors maintained outside bank accounts and made expenditures for student insurance, and various other operating expenditures. Additionally, a portion of the expenditures the athletic directors made did not maintain adequate documentation to support that the expenditures were for a proper public purpose.

For fiscal years 2008 through 2011, Athletic Director Thomas Gerhardt wrote checks to himself totaling \$7,372 and used the cash to make purchases for the Olentangy Liberty High School Athletic Department. Supporting documentation was not provided for the following expenditures: \$1,700 for a change fund for athletic events, \$480 for a gym membership, \$2,093 for hospitality and sports banquet catering, and \$3,099 for other operating expenses and purchases.

For fiscal years 2008 through 2011 Olentangy High School Athletic Director, Jay Wolfe, made expenditures totaling \$3,970 of checks payable to the Olentangy Athletic Boosters for which he did not maintain supporting documentation.

There was no documentation to support that any of the above expenditures were in accordance with District Policy #7043 or #7070. Further, there was no indication that these expenditures were approved by the school board or for an otherwise proper public purpose.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, Findings for Recovery for public monies illegally expended in favor of the District’s Athletics Fund are hereby issued against:

- Athletic Director Thomas Gerhardt in the amount of \$7,372 and in favor of the Athletics Fund.
- Athletic Director Jay Wolfe in the amount of \$3,970 and in favor of the Athletics Fund.

On February 6, 2012 Thomas Gerhardt repaid the District \$7,372, and on February 7, 2012 Jay Wolfe repaid the District \$3,970.

**OLENTANGY LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011
(Continued)**

<p>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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Officials Response to Findings 2011-001 through 2011-003:

As a result of the audit and the District's own internal investigation, activity in the outside bank accounts noted has been suspended and the accounts are in the process of being closed pending clearance of any outstanding checks. Further, steps have been taken to ensure there are no additional outside bank accounts being operated within the District. Proper controls are already in place to ensure that funds processed through the Treasurer's office follow the District's purchasing policy. All findings have been repaid to the District.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Olentangy Local School District
Delaware County
814 Shanahan Road
Lewis Center, Ohio 43035

To the Board of Education:

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

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

1. In our report dated December 22, 2010, we noted the Board adopted an anti-harassment policy on November 27, 2007. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on May 25, 2011. We read the amended policy, noting it now includes all the requirements listed in Ohio Rev. Code 3313.666. However Ohio Rev. Code Section 3313.666 required the Board to amend its definition by September 28, 2010.

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

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

Handwritten signature of Robert R. Hinkle in black ink.

Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

December 20, 2011

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Comprehensive Annual Financial Report

OLENTANGY | LOCAL SCHOOL DISTRICT
Our mission is to facilitate maximum learning for every student

Olentangy Local School District

Lewis Center, Ohio

For the Fiscal Year Ended June 30, 2011

Olentangy Local School District

Lewis Center, Ohio

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2011

Issued by:

Office of the Treasurer

Rebecca A. Jenkins
Treasurer

OLENTANGY LOCAL SCHOOL DISTRICT

INTRODUCTORY SECTION



OLENTANGY LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2011

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OLENTANGY LOCAL SCHOOL DISTRICT

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**OLENTANGY LOCAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
for fiscal year ended June 30, 2011**

*Our mission is
to facilitate
maximum learning
for every student*

Adopted June 27, 2000

OLENTANGY | LOCAL SCHOOLS



OFFICE OF THE TREASURER

814 Shanahan Road, Suite 100

Lewis Center, OH 43035

December 20, 2011

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

On behalf of the Olentangy Local School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2011. This Comprehensive Annual Financial Report contains financial statements, supplemental statements, and statistical information conforming with generally accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the District.

This report enables the District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117-38, which requires the District to file an unaudited annual report with the Auditor of State within one hundred fifty days of fiscal year end.

District management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

In addition, this report is designed so that a reader can acquire the maximum understanding of the District's financial activity. This report is provided as a way for the District to communicate openly about the District's finances with its stakeholders.

Comments on the report are welcome and requests for additional financial information can be obtained by contacting the Olentangy's Office of the Treasurer.

Reporting Entity

The District, one of over 600 public school districts in the State of Ohio and four in the County of Delaware, provides education to approximately 16,000 students in grades K through 12 as of June 2011. It is located in Delaware and Franklin Counties in Central Ohio, and approximately fifteen miles north of the City of Columbus. The District was created by the consolidation in 1952 of the Liberty, Hyatt, Orange and Berlin Township schools to form the Olentangy Local School District. Less than one square mile of the District's area is located in Franklin County. The District's total area is approximately 95 square miles. Included in the District's territory are seven townships: Liberty, Orange, Berlin, Genoa, Delaware, Berkshire and Concord, as well as the City of Powell and portions of the cities of Columbus, Delaware and Westerville.

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, the Cities of Powell, Columbus, Delaware, Westerville or any other political subdivision.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the district only (i.e. there are no component units).

Profile of the District

An elected five-member Board of Education (the Board) serves as the taxing authority and policy maker for the District. The Board adopts an annual tax budget and an annual appropriations resolution, which serves as the basis for control over and authorization for all expenditures of District tax money. The Board directly approves all personnel-related expenditures.

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. The Treasurer also serves as Secretary to the Board. Administrative personnel reporting to the Superintendent include the Assistant Superintendent, Director of Human Resources, Executive Director of Elementary Learning, Executive Director of Secondary Learning, Executive Director of Operations and Facilities and Director of Technology.

Local Economy

The County of Delaware (the “County”) has experienced exponential growth in the past decade to a current population estimate of 174,000. The County is the fastest growing county in the State, having experienced a 58% growth rate since 2000, and it is recognized as one of the most rapidly growing counties in the Nation.

Additionally, the Columbus Metropolitan Area, nationally recognized as one of the emerging metropolitan areas, is among the more economically stable metropolitan areas in the U.S., and Columbus is one of just a handful of cities in the northeastern quadrant of the nation whose economy and population both grew steadily through the last three decades of the 20th century. A strong residential, commercial and industrial tax base, a very diverse labor force and unemployment rate below the State and National averages have resulted in strong growth throughout the metropolitan area, as well as in and around the District.

The District is considered a high wealth district. The valuation per pupil for fiscal year 2011 was \$210,850 compared to the State average of \$139,375. A comparison of the median income shows that the District’s median of \$71,150 is more than twice the State median of \$31,787 in tax year 2008. The District’s 2009-10 expenditure per pupil (all funds) was \$9,602, compared to the State average of \$10,565.

The District is located in a high growth area and has the fastest growing student enrollment in the State. One mill of taxation raises \$210.85 per pupil compared to the State average of \$139.37 per pupil. The assessed valuation increase for the District for the five-year period ending December 2011 was over 33%. During calendar year 2010, the property value reappraisal was performed, and for the first time in over a decade the County experienced a decrease in property values. The effects of this decrease will be realized beginning in calendar year 2012. Ohio HB920 helps reduce the negative impact of the decreased property values.

The commercial tax base of the District continues to grow at a robust pace. The Polaris Development (“Polaris”) provides the heaviest concentration of office and retail development. The cornerstones of Polaris consist of the 1,500,000 square foot Polaris Fashion Mall (“the Mall”) and the 1,200,000 square foot J.P. Morgan Chase office complex. By the year 2030, the total market value of Polaris is projected to approach \$1 billion.

The Mall opened in October 2001. The total value of the completed Mall was approximately \$118 million; however, a new 167,000 square foot, open-air “Lifestyle Center” was recently opened adjacent to the mall adding several high-end retail shops and restaurants. Additionally, several stand alone stores and retail centers are in the process of being constructed in Polaris. Recent openings include a 60,000 square foot retail center anchored by a fitness center and a \$16 million, 18-screen cinema development that includes shopping and dining, and a \$65 million 252 room Hilton Columbus at Polaris hotel. COSTCO Wholesale, Inc. opened a 151,000 square foot retail facility at Polaris in November 2006. As of tax year 2010, the value of the Polaris TIF was \$220,678,520.

OhioHealth Corporation ("OhioHealth"), the owner of central Ohio's largest hospital system, has broken ground on the new Delaware Health Center, which will be located in the District on a 105-acre site owned by OhioHealth. The 62,000-square-foot facility will include space for outpatient healthcare and medical offices. The Delaware Health Center is OhioHealth's first phase in creating the Delaware Health Village, a health care complex that will eventually include the construction of a new hospital to replace Grady Memorial Hospital. Grady Memorial Hospital is an OhioHealth-owned hospital located outside of the District in Delaware, Ohio.

The District's growth in the past decade is reflected, in part, in the degree of building activity in the District. Building permit statistics are not available for the District as such. The following table relating to the issuance of single family building permits by the Townships of Orange, Berlin and Liberty, and the City of Powell from 2002 through 2011 is set forth for informational purposes only. It should not be implied from the inclusion of such data that the District is representative of the Townships/City or vice versa.

**Number of Building Permits Issued In
Selected Overlapping Subdivisions**

Year	Orange Twp.	Berlin Twp.	Liberty Twp.	City of Powell	Total
2002	558	156	238	127	1,079
2003	601	123	175	261	1,160
2004	576	97	166	209	1,048
2005	419	84	168	216	887
2006	194	58	107	138	497
2007	228	40	75	94	437
2008	129	30	65	41	265
2009	111	20	30	32	193
2010	119	35	45	34	233
2011*	10	3	5	31	49

* Preliminary data through Aug. 2011.

Source: Delaware County Regional Planning Commission, City of Powell

While the tremendous growth provides revenue enhancing opportunities, it also provides challenges and expenditure pressures. The District, along with many other public school systems in the state, still faces some difficult economic situations in the future since the District's primary funding source is property tax revenue. Ohio law limits growth in real estate tax revenues by reducing millage as assessed values increase. This keeps revenues from each levy relatively constant. Statewide voters have proved reluctant to increase property taxes. Olentangy Local School District residents have passed the last four operating levies in support of the District. Although the District has received additional revenue from the valuation growth of new construction within the District, the increased expenditures from the enrollment growth have outpaced the additional revenue.

Building Facilities

The District is fortunate in that we have been able to keep pace with the District's rapidly growing student enrollment. Since 1989, the District has grown from utilizing only the Shanahan building to a total of twenty-one school buildings in the 2010-11 school year. The District opened a new elementary school at the beginning of fiscal year 2011 and opened one elementary school and one middle school in fiscal year 2012, taking the total buildings to twenty-three for fiscal year 2012.

The District's Development Committee (committee of citizen volunteers with construction and architectural background) is always evaluating the construction needs that will exist within the District in the future. The District continues to face the challenge of forecasting the number of students that will be entering the schools each year and trying to provide adequate space to house the influx (*see below*).

The residents of the District have been supportive regarding the construction needs of the District. Since May of 1999, District residents have supported eight consecutive bond levies. The most recent bond levy was for \$24.4 million in May 2011.

Since 1999 the District has constructed, is in the process of constructing or has voter approval for the following schools/buildings:

Oak Creek Elementary (FY 2001)	Tyler Run Elementary (FY 2002)
Liberty Middle School (FY 2002)	Bus/Maintenance Compound (FY 2003)
Liberty High School (FY 2004)	Walnut Creek Elementary (FY 2004)
Indian Springs Elementary (FY 2004)	Orange Middle School (FY 2005)
Glen Oak Elementary (FY 2006)	Olentangy Meadows Elem. (FY 2007)
Liberty Tree Elementary (FY 2008)	Hyatts Middle School (FY 2008)
Johnnycakes Corners Elementary (FY 2008)	Orange High School (FY 2009)
Bus/Maintenance Facility (FY2009)	Expansion to Olentangy High
Freedom Trail Elementary School (FY 2010)	School (FY2010)
Cheshire Elementary School (FY 2011)	Heritage Elementary School (FY2012)
Berkshire Middle School (FY 2012)	

Long-Term Financial Planning

The District has 1,111 certificated employees (1,054 teachers, 57 administrators) and 635 classified employees (619 secretarial, clerical, custodial, cafeteria workers, bus drivers, other non-teaching and 16 administrators).

In 2008, the Board entered into a three-year agreement effective July 1, 2008 to June 30, 2011 with the Olentangy Teachers Association (OTA). These negotiations established the wage and benefit levels for the District's certificated employees. On October 7, 2010 the Board and OTA agreed to a one-year extension of this current agreement.

In August 2010, the Board entered into a one-year language agreement effective July 1, 2010 to June 30, 2011 with the Ohio Association of Public School Employees (OAPSE) and AFSCME AFL-CIO Local #322 (transportation drivers).

In August 2010, the Board entered into a one-year language agreement effective July 1, 2010 to June 30, 2011 with the Ohio Association of Public School Employees (OAPSE) and AFSCME AFL-CIO Local #039 (maintenance and custodians).

Educational Program

As of June 2011, approximately 16,000 students were enrolled in the District's fourteen elementary schools, four middle schools, and three high schools. The high school population includes approximately 51 students enrolled in cooperative vocational educational programs provided by the Delaware Area Career Center (DACC).

Faculty at each level is supported by the Office of Curriculum and Instruction, which in turn is responsible for the District's improvement efforts and facilitation of the District's Continuous Improvement Plan (CIP). Efforts to continuously improve teaching and learning are guided by the District's CIP. In addition, regular updates to courses of study are made with involvement of the faculty and input from the community.

The District's curriculum includes a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. Test scores indicate that the District's students generally achieve higher than national averages.

A full range of extracurricular programs and activities are available to students beginning at the elementary level. A complete competitive athletics program is offered beginning at the middle school level. An intramural sports program is also offered to students at selected grade levels throughout the District.

Major Initiatives in Education

In 2000, the District developed a Continuous Improvement Plan (CIP). The Board adopted this plan for the school year beginning July 1, 2000. The CIP was developed with the following vision (revised in 2003, 2006, 2008, 2009 & 2010):

Mission Statement

Our mission is to facilitate maximum learning for every student.

Vision: The Framework for Excellence

Our students will perform at a level that surpasses or is equal to their projected level of achievement. We will promote high expectations for students in all areas: academic, artistic, physical, health, citizenship, and service. In a fiscally responsible manner, we will commit the resources necessary to establish and maintain:

- A respectful, caring, and safe environment
- Research-based, student focused instruction
- Information-driven decision making
- A focused and challenging curriculum
- Collaboration focused on improving student learning
- An active partnership with parents and community

Focus: Building on Olentangy's Tradition of Excellence

The staff will focus on quality classroom practices including, a rigorous curriculum, aligned assessments and focused instruction to achieve maximum learning in every environment.

Benchmarks and Indicators: Measuring the Outcomes

Benchmark 1: Achievement at or above projected performance levels based on Project SOAR data.

- Increase or maintain at least 80 percent of students achieving at or above their projected performance level in a majority of subject and grade levels.

Benchmark 2: Facilitate a year or more of achievement for every year of instruction.

- Overall district/building growth is at or above a year's worth of growth.
- Majority of subjects and grade levels will meet or exceed a year's worth of growth.

Benchmark 3: Exceed state standards at the district and building levels.

- Seventy-five percent or more of students will score proficient or above in all subjects and grade levels.
- Meet Adequate Yearly Progress (AYP) for all subgroups in reading and math.
- State Performance Index (PI) will increase or maintain at least 105.

Benchmark 4: Top of State and Nation.

- Will surpass the advanced and accelerated percentages of the similar-district group in a majority of subjects and grade levels.
- State Performance Index ranking will increase or remain in the top ten percent of all school districts.

Benchmark 5: Increased percentages of students at advanced and accelerated levels.

- Increase or maintain at least 50 percent of students scoring at advanced and accelerated levels.
- Increase or maintain at least 50 percent of juniors and seniors participating in Advanced Placement courses.
- Increase or maintain at least 75 percent of juniors and seniors earning a score of three or higher on Advanced Placement exams.

Benchmark 6: Graduates prepared for educational/vocational pursuit of their choice.

- Increase from the three-year average or maintain above 90 percent of seniors giving top two rankings on the exit survey.
- Increase or maintain 50 percent of students meeting all four ACT college readiness benchmarks.
- ACT mean scores will increase or remain high at 25.
- Our high schools will continue to be ranked in the top 500 high schools in the nation as ranked by the Challenge Index.

Benchmark 7: Responsible financial management.

- Obtain annual GFOA (Government Finance Officer Association) award for excellence in financial reporting for the District's CAFR.
- Maintain or increase the District's bond rating with both Moody's and Standard and Poor's.
- Receive a successful unqualified audit with fewer than five minor compliance citations.
- Maintain or decrease the total expenditure per pupil ranking and the administrative expenditure per pupil ranking as benchmarked against comparable districts as determined by the State of Ohio and the OLSD Board of Education.

Benchmark 8: Resource Allocation and Utilization that balance fiscal responsibility as they support student achievement.

- Achieve an "overall pupil/certified teacher ratio" at a level of 15:1 or higher as measured yearly on the OLSD five-year forecast. This includes all certified staff such as classroom teachers, guidance, special education, special area teachers, etc., recognizing that most individual classroom ratios will be higher.
- Achieve overall efficiency by examining the need, adequacy, maintenance, and cost of facilities as benchmarked against industry standards.

Benchmark 9: Community survey responses show continued high and increasing rating on achieving our mission and all areas of our vision.

- The community survey results will equal or surpass the previous year.
- As a subcomponent of the Continuous Improvement Committee (CIC), the Family and Civic Engagement Team will survey students annually to address non-academic needs of our students.

CIP Benchmark Terminology

SOAR: SOAR is a statewide school improvement initiative comprised of over 100 Ohio school districts. Olentangy receives district, building, grade, and classroom-level performance data reports in reading, math, science, and social studies for grades 3-10. The Ohio Value-Added model will provide district, building and grade-level performance data reports for only grades 4-8 in reading and math for all Ohio districts (These will be reported on the Local Report Card).

Growth: Growth or Value-Added data is the newest accountability measure we have. These data measure if the district, building and/or teachers are facilitating average or typical growth for their students. We use both TerraNova and state achievement tests in Value-Added calculations. We are able to measure growth in third through tenth grades in reading and mathematics, writing in fourth, seventh and tenth, and science and social studies in third through tenth grades. Designations are given to a district, building, grade, or classroom referencing the impact of learning. The designations are above expected, expected, or below expected growth.

Projected Performance: This is a calculated performance level based on a student's complete standardized testing data history. We will use all state achievement tests and TerraNova when no state achievement tests are available. These projections are the performance level a student is most likely to attain on the state achievement tests.

Performance Index (PI): This is a calculation that reflects the achievement of every student. The score is a weighted average of all tested subjects in grades 3-8 and 10. The most weight is given to students scoring at the advanced level (1.2) and decreases with each lower performance level. This creates a scale from 0 to 120 points.

Untested students	0 points
Limited	0.3 points
Basic	0.6 points
Proficient	1.0 points
Accelerated	1.1 points
Advanced	1.2 points

Adequate Yearly Progress (AYP): All students in grades 3 through 8 and 10 (OGT) are evaluated in reading and math only. This measure was created to ensure that all subgroups are achieving at high levels. All students fall into at least two of the following ten student subgroups:

- All Students
- Economically Disadvantaged Students
- Asian/Pacific Islander Students
- Black/Non-Hispanic Students
- American Indian/Alaskan Native Students
- Hispanic Students
- Multi-Racial Students
- White Students
- Students with Disabilities (IEP)
- Students with Limited English Proficiency (LEP)

There must be a minimum of 30 students in any subgroup for a district or building to receive an AYP rating.

Below are the AYP targets that are in effect for 2010-11 and beyond. These goals represent an increase from 2009-10 goals and they are scheduled to increase annually through 2013-14.

Grade Band	Grade	Reading	Math
Elementary	3	82.7%	76.4%
	4	81.0%	80.3%
	5	81.0%	69.8%
Middle	6	85.5%	73.1%
	7	81.2%	68.4%
	8	84.3%	68.5%
High	10	83.1%	76.0%

Financial Information

Internal Control

In developing and revising the District’s accounting and internal control system, Management has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by Management.

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

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is by fund. The District has chosen to present budgetary information at the function level in the basic financial statements and at the fund level in the individual fund statements.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding fiscal years and are not re-appropriated.

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

Financial Condition

This is the ninth year that the District has prepared financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB Statement No. 34 created new basic financial statements for reporting on the District’s financial activities as follows:

- **Government-wide financial statements** – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.
- **Fund financial statements** – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.
- **Statement of budgetary comparisons** – These statements present comparisons of actual information to the legally adopted budget for the general fund. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this reporting model, Management is responsible for preparing a Management Discussion and Analysis of the District. The discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the District's finances for 2010-11.

Major Initiatives

The District achieved a rating of Excellent with Distinction on the State Report Card. This was the 8th year in a row that the District received at least an Excellent rating from the Ohio Department of Education.

Enrollment Growth

The District's enrollment is the fastest growing in the State of Ohio based on actual numbers in fiscal years 2010 and 2011. The District's enrollment grew by 974 students from fiscal year 2010 to fiscal year 2011. Enrollment for school year 1987-88 was 1,618 while enrollment for the 2010-11 school year was approximately 16,000. During the last five years, the District has experienced enrollment growth ranging from 5% to 10%. The enrollment projections, as well as development projections, indicate that the growth will continue well into this century. Student enrollment projections for the fiscal year 2011-12 indicate an enrollment of approximately 16,800 and 22,105 by 2020-21.

	<u>1993</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>
Grades 9-12	641	2,784	3,038	3,369	3,684	3,922	4,212	4,531	4,792
Grades 6-8	564	2,663	2,854	3,057	3,285	3,531	3,879	4,149	4,420
Grades K-5	<u>1,284</u>	<u>6,525</u>	<u>7,110</u>	<u>7,618</u>	<u>8,021</u>	<u>8,511</u>	<u>8,712</u>	<u>8,928</u>	<u>9,247</u>
TOTALS	2,489	11,972	13,002	14,044	14,990	15,964	16,803	17,608	18,459

Source: The District used the Development Committee's "Revised Projection Enrollment" dated October 2010 (summary of Dejong Healy Report) for enrollment projections to determine staffing requirements.

Awards and Acknowledgements

The Auditor of the State of Ohio has issued an unqualified opinion on Olentangy Local School District's financial statements for the fiscal year ended June 30, 2011. The Independent Accountants' Report is located at the front of the financial section of this report.

The Ohio Auditor of State issued Olentangy Local School District an Award with Distinction, presented for excellence in financial reporting for its CAFR for the fiscal year ended June 30, 2010. In order to be awarded the Auditor of State Award with Distinction, a government must file timely financial reports with the Auditor of State's office in the form of a CAFR, the audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or questioned costs, and the District's management letter contains no comments related to ethics referrals, questioned costs less than \$10,000, lack of timely report submission, reconciliation, failure to obtain a timely Single Audit, findings for recovery less than \$100, public meetings or public records.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Olentangy Local School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

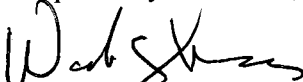
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA for consideration.

The preparation of this report was made possible by the diligence of the staff of the Treasurer's Office and other departments throughout the District. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion.

In closing, we would like to thank the Board of Education for their support without which the preparation of this report would not have been possible.

Respectfully submitted,


Wade Lucas, Superintendent


Rebecca A. Jenkins, Treasurer

OLENTANGY LOCAL SCHOOL DISTRICT

Olentangy Local School District
Elected Officials and Appointed Officials
as of June 30, 2011

BOARD OF EDUCATION MEMBERS



Julie
Wagner Feasel,
President
(740) 657-4091

Dave King,
Vice-President
(740) 657-4094

Stacy Dunbar,
Member
(740) 657-4093

Scott Galloway,
Member
(740) 657-4092

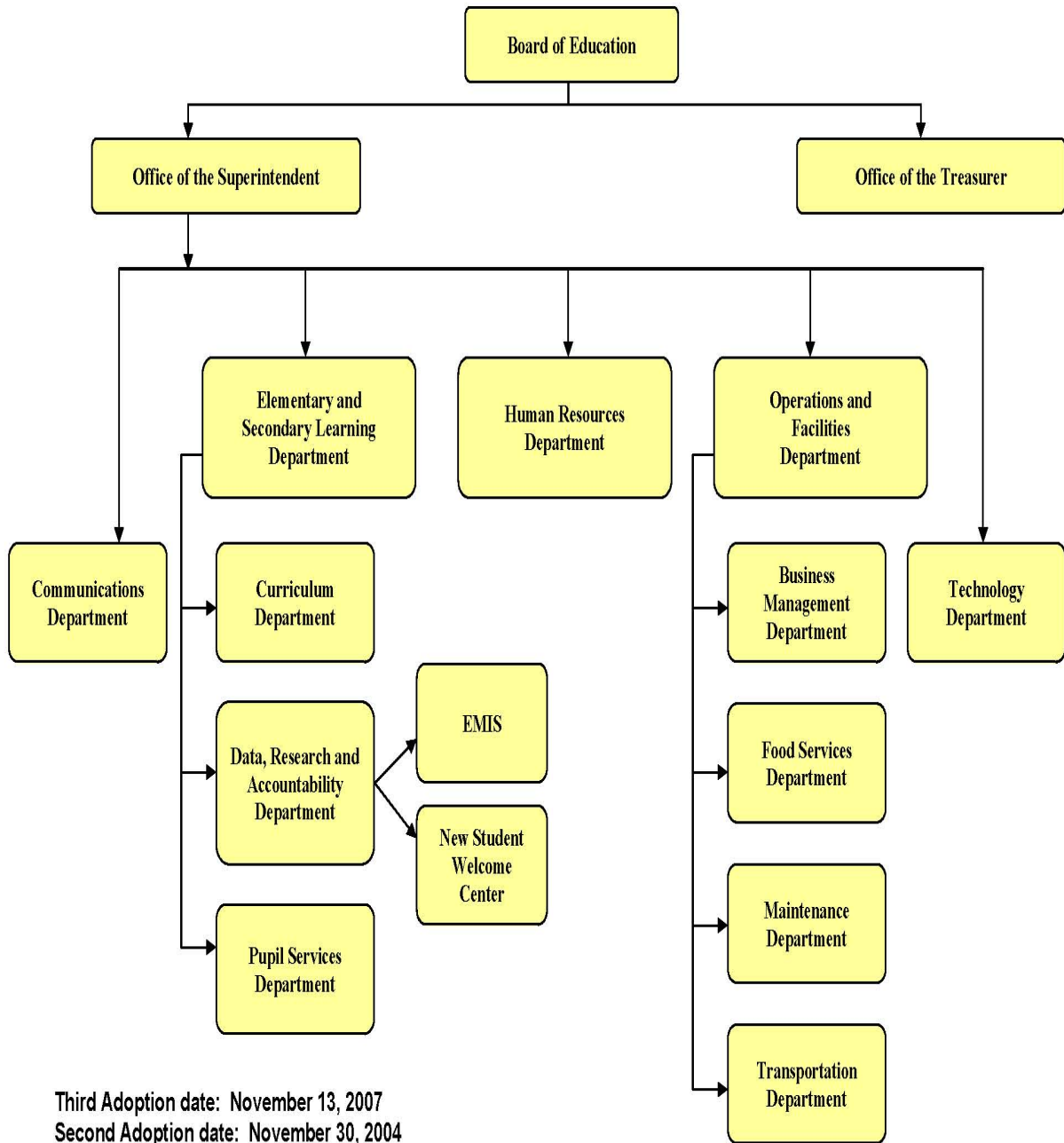
Kevin O'Brien,
Member
(740) 657-4090

APPOINTED OFFICIALS

Wade Lucas, Superintendent
Rebecca A. Jenkins, Treasurer

OLENTANGY LOCAL SCHOOLS
Administrative Structure and Functions
Olentangy Administrative Offices Organizational Chart

File: 2001



Third Adoption date: November 13, 2007
 Second Adoption date: November 30, 2004
 Adoption date: August 24, 2004

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Olentangy Local School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davison

President

Jeffrey R. Egan

Executive Director

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OLENTANGY LOCAL SCHOOL DISTRICT

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Olentangy Local School District
Delaware County
814 Shanahan Road
Lewis Center, Ohio 43035

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Olentangy Local School District, Delaware County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Olentangy Local School District, Delaware County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18 during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis and the required budgetary comparison schedule for the General Fund*, as 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the 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 provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical 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.



Robert Hinkle, CPA, CGFM
Chief Deputy Auditor

December 20, 2011

Olentangy Local School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2011
(Unaudited)

As management of the Olentangy Local School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

The District's net assets are \$47,104,792 as of June 30, 2011 according to the Statement of Net Assets. This represents a decrease of \$2,621,740 or 5.3% as compared to last year. The District placed and the voters passed a combined operating and bond levy in May 2011. This levy was for a 7.9 mill operating levy and a no-additional millage bond levy. This combined levy will generate approximately \$11.2 million in additional revenues in fiscal year 2012 and \$22.4 million in additional revenues in fiscal year 2013.

The General Fund reported a fund balance of \$28,928,179.

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appears on the fund financial statements beginning with the Governmental Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's two types of funds, governmental and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Governmental Funds

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

Fiduciary Funds

The District's Fiduciary Funds are: 1) a Private-Purpose Trust Fund and 2) a Student Managed Activities Agency Fund. The District's fiduciary activities are reported in the Statement of Net Assets, Fiduciary Funds. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its' operations.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$47,104,792 according to the Statement of Net Assets at the close of the most recent fiscal year.

A portion of the District's net assets (\$32,942,870) represents resources subject to external restrictions on how they may be used. Another portion of the District's net assets (\$5,020,431) reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's unrestricted net assets are \$9,141,491 at June 30, 2011 as compared to \$13,009,548 at June 30, 2010. The overall decrease in net assets is primarily attributed to the increase of expenses greater than revenues, resulting in cash carryover spending. A comparative analysis of fiscal year 2011 to 2010 follows from the Statements of Net Assets:

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Current Assets	\$ 247,210,314	\$ 261,613,411
Capital Assets	<u>339,162,285</u>	<u>332,802,861</u>
Total Assets	<u>586,372,599</u>	<u>594,416,272</u>
Current Liabilities	151,974,321	145,745,083
Long-Term Liabilities	<u>387,293,486</u>	<u>398,944,657</u>
Total Liabilities	<u>539,267,807</u>	<u>544,689,740</u>
Net Assets:		
Invested in capital, Net of Debt	5,020,431	3,163,011
Restricted	32,942,870	33,553,973
Unrestricted	<u>9,141,491</u>	<u>13,009,548</u>
Total Net Assets	<u>\$ 47,104,792</u>	<u>\$ 49,726,532</u>

**Olentangy Local School District
Changes in Net Assets**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Program Revenues:		
Charges for Services	\$ 8,215,627	\$ 7,592,659
Operating Grants	9,170,786	8,963,858
General Revenues:		
Property Taxes	132,244,731	133,075,955
Payments in Lieu of Taxes	12,063,164	8,014,579
State Entitlements	23,849,493	23,426,024
Investment Earnings	475,887	447,746
Miscellaneous	<u>2,795,675</u>	<u>604,758</u>
Total revenues	<u>188,815,363</u>	<u>182,125,579</u>
Program expenses:		
Instructional	107,827,964	95,516,926
Support Services	61,991,748	60,447,198
Co-curricular Student Activities	4,217,340	4,764,973
Community Services	531,190	553,538
Interest on long-term debt	<u>18,968,861</u>	<u>18,961,460</u>
Total expenses	<u>193,537,103</u>	<u>180,244,095</u>
Special Item:		
Refund on Prior Year Insurance Premiums	<u>2,100,000</u>	<u>-</u>
Increase (Decrease) in Net Assets	(2,621,740)	1,881,484
Net Assets Beginning of Year	<u>49,726,532</u>	<u>47,845,048</u>
Net Assets End of Year	<u>\$ 47,104,792</u>	<u>\$ 49,726,532</u>

Governmental Activities

Net assets of the District’s governmental activities decreased by \$2,621,740. The decrease in property taxes is a result of the timing of the certification of revenues by the County. In Ohio, the portion of property taxes legally available as an advance, on the future August real estate settlement, by June 30 is reported as revenue on both the full accrual and modified accrual basis of accounting. The increase in payments in lieu of taxes is due to an increase tax increment financing activities utilized by the various local governments thus resulting in higher receipts for the District.

The increase in expenses over the prior year is primarily due to adding staff, as well as increased health insurance premiums associated with existing staff. The District opened one new elementary school in fiscal 2010 and one new elementary school in fiscal 2011. The District is one of the fastest growing school districts in the state of Ohio, as well as, one of the fastest growing districts in the nation. The District’s enrollment increased by almost 1,000 students in fiscal year 2011.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District’s administration and the voting public.

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

	<u>Total Cost of Services</u>	<u>Net Cost of Service</u>	<u>Total Cost of Services</u>	<u>Net Cost of Service</u>
<u>Programs</u>	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2010</u>
Instructional Services	\$ 107,827,964	103,047,451	\$ 95,516,926	92,107,982
Support Services	61,991,748	50,435,859	60,447,198	49,183,764
Co-curricular Student Activities	4,217,340	3,635,558	4,764,973	3,311,105
Community Services	531,190	62,961	553,538	123,267
Interest on Long-Term Debt	<u>18,968,861</u>	<u>18,968,861</u>	<u>18,961,460</u>	<u>18,961,460</u>
Total	<u>\$ 193,537,103</u>	<u>\$ 176,150,690</u>	<u>\$ 180,244,095</u>	<u>\$ 163,687,578</u>

Local property taxes make up approximately 70% of the revenues for governmental activities. The net services column reflecting the need for \$176,150,690 of support indicates the reliance on general revenues to support governmental activities.

The District's Funds

The District's governmental funds reported a combined fund balance of \$90,869,595, which represents a decrease of \$20,143,205 as compared to last year's total of \$111,012,800 according to the Governmental Funds Statement of Revenues, Expenditures, and changes in Fund Balances. The decrease is primarily due to the timing of expenditures of monies related to construction projects, as described below in the capital asset sections of this analysis. The schedule below shows the fund balance and the total change in fund balance from June 30, 2010 to 2011.

	Fund Balance at June 30, 2011	Fund Balance at June 30, 2010, as restated	Increase (Decrease)
General Fund	\$ 28,928,179	\$ 27,474,560	1,453,619
Debt Service	18,453,865	19,391,120	(937,255)
Building Fund	28,321,368	49,150,401	(20,829,033)
Other Governmental Funds	15,166,183	14,996,719	169,464
Total	<u>\$ 90,869,595</u>	<u>\$ 111,012,800</u>	<u>(20,143,205)</u>

General Fund

During fiscal year 2011, the District's Payment in Lieu of Taxes revenue increased due to continued development of tax abated properties. Investment Income increased due to higher interest rates on investments. Other Revenue makes up the largest increase in revenue, which is attributed to the CDMU insurance settlement.

Revenues

	2011	2010	% Change
Property Taxes	\$ 109,159,343	\$ 108,833,674	0.30%
Payments in Lieu of Taxes	9,792,122	8,014,579	22.18%
Intergovernmental	23,937,192	22,795,864	5.01%
Investment Income	280,454	228,426	22.78%
Other Revenue	<u>5,181,306</u>	<u>1,075,491</u>	381.76%
Total	<u>\$ 148,350,417</u>	<u>\$ 140,948,034</u>	5.25%

As the table below indicates, the largest portion of General Fund expenditures is for instructional cost.

Expenditures by Function

	2011	2010	% Change
Instructional Services	\$ 91,732,430	\$ 83,588,448	9.74%
Support Services	51,545,430	49,549,736	4.03%
Co-curricular Student Activities	3,420,385	3,110,647	9.96%
Capital Outlay	14,497	-	-100.00%
Debt Service	<u>349,120</u>	<u>339,503</u>	2.83%
Total	<u>\$ 147,061,862</u>	<u>\$ 136,588,334</u>	7.67%

The expenditure increase over the prior year is primarily due to the increase in the number of employees to meet the demand of opening a new elementary school, as well as serving an additional 1,000 students in fiscal year 2011.

Debt Service Fund

The District's Debt Service Fund balance remained stable as expected as revenues are allocated based on expected to fund expenditures. The tables that follow assist in illustrating the financial activities and balance of the Debt Service Fund.

Revenues

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Property Taxes	\$ 25,757,233	\$ 23,771,401	8.35%
Intergovernmental	2,979,107	3,506,047	-15.03%
Other Revenue	1,176,505	2,567	2567.00%
Total	<u>\$ 29,912,845</u>	<u>\$ 27,280,015</u>	9.65%

As the table below indicates, Debt Service Fund expenditures are for financing costs.

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Support services	\$ 382,496	\$ 387,302	-1.24%
Interest repayment	19,778,097	18,394,085	7.52%
Principal repayment	10,689,507	10,547,263	1.35%
Total	<u>\$ 30,850,100</u>	<u>\$ 29,328,650</u>	5.19%

See below for further discussion as it relates to the District's debt activity.

Building Fund

The District's Building Fund is used to account for financial resources used for the acquisition or construction of major capital facilities specifically funded by bonds approved by the voters. The decrease in fund balance is a result of the timing of expenditures compared to the receipt of bond proceeds. The status of these projects at June 30, 2011 is as follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2011</u>	<u>Committed</u>
Heritage Elementary	11,600,000	8,089,698	3,503,302
Berkshire Middle School	24,400,000	16,570,118	7,829,882
Olentangy HS Renovations	4,000,000	946,246	3,053,754
Total Capital Projects	<u>\$ 40,000,000</u>	<u>\$25,613,062</u>	<u>\$14,386,938</u>

Other Funds

Other governmental funds consist of Special Revenue, and other Capital Projects funds. The fund balance in these funds increased by \$169,464, due to the Food Service special revenue fund revenue exceeding expenses.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements, and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school and department submits a budget to the Superintendent and Treasurer. After discussion and various modifications, a final amount is agreed upon. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

The original revenue and expenditure budget estimates were revised 7.3% and (1.0%), respectively, as compared to the final budget. The revenue budget revision was due primarily to the timing of property tax receipts. Actual budgetary revenues were approximately the same as revised budgeted revenues. The District's budgetary process remained somewhat conservative due to the uncertainty in both the state and local economy.

Capital Assets

The District has \$339,162,285 invested in capital assets net of depreciation. The capital asset balance increased by \$6,359,424 net of current year depreciation of \$10,032,164. This increase is primarily attributed to the continued building of schools and related purchase of tangible assets for such schools as discussed in the Building Fund above. Additional detailed information regarding capital asset activity is included in the note 8 to the basic financial statements.

Debt

On June 30, 2011, the District had \$380,131,336 in outstanding bonds and notes payable as follows:

Amount outstanding at June 30, 2011	\$ 369,205,248
Accumulated accretion on discount debt	9,219,322
Unamortized bond premium, net of accumulated	7,909,176
Deferred amount on refunding bonds, net	(6,202,410)
Amount included in the Statement of Net Assets	<u>\$ 380,131,336</u>

Detailed information regarding long-term debt is included in the note 9 to the basic financial statements.

Under current state statutes, most Districts' general obligation bonded debt issues are subject to a legal limitation based on 9% of the total taxable valuation of real and personal property. However, the District was approved as a "special needs district" by the State of Ohio based upon its 10-year growth in assessed valuation and is permitted to exceed the 9% limit.

Restrictions and Other Limitations

The District faces various challenges with being one of the fastest growing school districts, not only in the State, but the Nation. The District has been fortunate over the years to be able to manage the growth pattern while maintaining the educational program and facilities. However, the future financial stability of the District is not without challenges.

The first challenge is to ensure resources can be preserved as long as possible. The five-year forecast of the general fund and the 10-year building/construction plan is utilized as tools to manage resources effectively. The District's voters passed a combined operating and bond levy in May 2011. This levy was in the amounts of 7.9 mill operating levy and a no-additional mill bond levy. This combined levy will generate approximately \$11.2 million in additional revenues in fiscal year 2012, and \$22.4 million in additional revenue in fiscal year 2013. The District opened a new elementary school at the beginning of fiscal year 2010 and opened one new elementary school in fiscal year 2011. The District anticipates opening one elementary school and one new middle school in fiscal year 2012.

The second challenge facing the District is based on the local economy. The District has experienced incredible growth during the past 5 years. Building permits have ranged from 193 to 497 a year. If the growth pattern changes and student enrollment increases more than anticipated, the District will have to change assumptions for its five-year financial models. Similarly, the current economic downturn may result in a decrease in building permits issued, which could result in revenue forecasts needing to be revised downward.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, tax payers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for monies it receives. Questions concerning any information in this report or requests for additional information should be directed to Rebecca A. Jenkins, Treasurer, Olentangy Local School District, 814 Shanahan Road, Suite 100, Lewis Center, Ohio 43035.

OLENTANGY LOCAL SCHOOL DISTRICT

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash and investments	\$ 86,989,427
Receivables	156,503,734
Due from other -	
Governments	549,925
Inventory	520,587
Deferred charges	2,646,641
Capital Assets:	
Land and construction in progress	55,421,361
Other capital assets, net of accumulated depreciation	283,740,924
TOTAL ASSETS	<u><u>586,372,599</u></u>
LIABILITIES:	
Accounts payable	1,605,276
Due to other:	
Governments	4,738,148
Unearned revenue	127,454,948
Accrued wages and benefits	14,388,799
Accrued interest payable	1,404,423
Contracts and retainage payable	2,382,727
Long-term Liabilities:	
Due within one year	13,157,135
Due in more than one year	374,136,351
TOTAL LIABILITIES	<u><u>539,267,807</u></u>
NET ASSETS:	
Invested in capital assets, net of related debt	5,020,431
Restricted for:	
Debt Service	17,598,716
Capital Projects	12,183,497
Food Services	2,277,480
State and Federal Grant Programs	455,334
Other Purposes	427,843
Unrestricted	9,141,491
TOTAL NET ASSETS	<u><u>\$ 47,104,792</u></u>

See accompanying notes to the basic financial statements.

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OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Governmental Activities				
Instructional services:				
Regular	\$ 88,154,533	1,968,582	82,606	(86,103,345)
Special	18,791,653	-	2,729,325	(16,062,328)
Vocational	881,778	-	-	(881,778)
Support services:				
Operation and maintenance of plant	15,534,373	-	567,349	(14,967,024)
School administration	7,730,868	-	-	(7,730,868)
Pupils	6,547,426	-	800,954	(5,746,472)
Business operations	3,479,616	-	1,557	(3,478,059)
Instructional staff	9,116,113	-	187,506	(8,928,607)
Student transportation	8,510,975	-	2,930,353	(5,580,622)
Food services	6,966,666	5,531,305	1,478,359	42,998
Central services	3,495,008	-	58,506	(3,436,502)
General administration	610,703	-	-	(610,703)
Co-curricular student activities	4,217,340	581,782	-	(3,635,558)
Community services	531,190	133,958	334,271	(62,961)
Interest	18,968,861	-	-	(18,968,861)
Total Governmental Activities	193,537,103	8,215,627	9,170,786	(176,150,690)
General Revenues:				
Property taxes				132,244,731
Payments in lieu of taxes				12,063,164
Grants and entitlements not restricted to specific programs				23,849,493
Investment earnings				475,887
Miscellaneous				2,795,675
Total general revenues				171,428,950
Special Item:				
Refund of prior year insurance expenses				\$ 2,100,000
Change in Net Assets				(2,621,740)
Net Assets Beginning of Year				49,726,532
Net Assets End of Year				\$ 47,104,792

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL	DEBT SERVICE	BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS :					
Cash and investments	\$ 24,886,125	14,764,515	31,682,450	15,656,337	86,989,427
Receivables	131,053,078	25,419,936	-	30,720	156,503,734
Due from other:					
Governments	-	-	-	549,925	549,925
Funds	137,783	-	-	-	137,783
Inventory	319,796	-	-	200,791	520,587
Prepaid assets	-	-	-	-	-
TOTAL ASSETS	\$ 156,396,782	40,184,451	31,682,450	16,437,773	244,701,456
LIABILITIES:					
Accounts payable	\$ 539,236	-	978,355	87,685	1,605,276
Due to other:					
Governments	4,533,928	-	-	204,220	4,738,148
Funds	-	-	-	137,783	137,783
Deferred revenue	108,419,125	21,730,586	-	429,417	130,579,128
Accrued wages and benefits	13,976,314	-	-	412,485	14,388,799
Contracts and retainage payable	-	-	2,382,727	-	2,382,727
TOTAL LIABILITIES	127,468,603	21,730,586	3,361,082	1,271,590	153,831,861
FUND BALANCES:					
Nonspendable -					
Inventories	319,796	-	-	200,791	520,587
Restricted for:					
Debt Service	-	18,453,865	-	-	18,453,865
Capital Outlays	-	-	28,321,368	12,183,497	40,504,865
Student Activities	-	-	-	344,071	344,071
Food Services	-	-	-	2,167,712	2,167,712
Other Federal Grants	-	-	-	12,002	12,002
Local Sources	-	-	-	193,513	193,513
Community Activities	-	-	-	83,772	83,772
Assigned	16,244,978	-	-	-	16,244,978
Unassigned	12,363,405	-	-	(19,175)	12,344,230
TOTAL FUND BALANCES	28,928,179	18,453,865	28,321,368	15,166,183	90,869,595
TOTAL LIABILITIES AND FUND EQUITY	\$ 156,396,782	40,184,451	31,682,450	16,437,773	244,701,456

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

Total Governmental Fund Balances \$ 90,869,595

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds. 339,162,285

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Deferred bond issuance cost	\$2,646,641	
Delinquent property tax receivables	2,791,077	
Interest income	60,323	
Due from other governments	<u>272,780</u>	
		\$5,770,821

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable, net		
Bonds and long-term notes payable	(369,205,248)	
Unamortized deferred amount on refunding	6,202,410	
Unamortized bond premium	(7,909,176)	
Accumulated accretion on capital appreciation bonds	<u>(9,219,322)</u>	
Bonds payable, net		(380,131,336)
Interest payable		(1,404,423)
Compensated absences		(6,642,834)
Capital lease payable		(519,316)

Net Assets of Governmental Activities \$ 47,104,792

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES--GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	GENERAL	DEBT SERVICE	BUILDING FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Property taxes	\$ 109,159,343	25,757,233	-	-	134,916,576
Payments in lieu of taxes	9,792,122	-	-	-	9,792,122
Intergovernmental:					
Federal Restricted Grants-in-aid	-	-	-	5,748,333	5,748,333
State:					
Unrestricted Grants-in-aid	23,937,192	2,979,107	-	-	26,916,299
Restricted Grants-in-aid	-	-	-	383,702	383,702
Food services	-	-	-	5,525,311	5,525,311
Investment income	280,454	-	166,776	334	447,564
Co-curricular activities	-	-	-	581,782	581,782
Tuition fees	1,643,236	-	-	-	1,643,236
Other	3,538,070	1,176,505	-	620,367	5,334,942
TOTAL REVENUES	<u>148,350,417</u>	<u>29,912,845</u>	<u>166,776</u>	<u>12,859,829</u>	<u>191,289,867</u>
EXPENDITURES:					
Current:					
Instructional services:					
Regular	74,764,626	-	1,682,157	132,949	76,579,732
Special	16,059,034	-	-	2,633,563	18,692,597
Vocational	908,770	-	-	-	908,770
TOTAL INSTRUCTIONAL SERVICES	<u>91,732,430</u>	<u>-</u>	<u>1,682,157</u>	<u>2,766,512</u>	<u>96,181,099</u>
Support services:					
Operation and maintenance of plant	14,079,026	-	-	629,425	14,708,451
School administration	7,916,032	-	-	1,396	7,917,428
Pupils	5,767,832	-	-	781,489	6,549,321
Business operations	3,235,808	382,496	-	41,311	3,659,615
Instructional staff	8,824,955	-	40,000	208,417	9,073,372
Student transportation	7,221,060	-	17,655	-	7,238,715
Food services	-	-	-	6,789,489	6,789,489
Central services	3,406,809	-	-	54,909	3,461,718
General administration	580,703	-	-	-	580,703
Facilities	513,205	-	-	-	513,205
TOTAL SUPPORT SERVICES	<u>51,545,430</u>	<u>382,496</u>	<u>57,655</u>	<u>8,506,436</u>	<u>60,492,017</u>
Co-curricular student activities	3,420,385	-	-	494,446	3,914,831
Community services	-	-	-	531,190	531,190
Capital outlay	14,497	-	19,255,997	391,781	19,662,275
Debt service:					
Principal retirement	295,229	10,689,507	-	-	10,984,736
Interest and fiscal charges	53,891	19,778,097	-	-	19,831,988
TOTAL EXPENDITURES	<u>147,061,862</u>	<u>30,850,100</u>	<u>20,995,809</u>	<u>12,690,365</u>	<u>211,598,136</u>
Excess (deficiency) of revenues over expenditures	1,288,555	(937,255)	(20,829,033)	169,464	(20,308,269)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of assets	36,617	-	-	-	36,617
Inception of capital leases	128,447	-	-	-	128,447
TOTAL OTHER FINANCING SOURCES (USES)	<u>165,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,064</u>
Net change in fund balances	1,453,619	(937,255)	(20,829,033)	169,464	(20,143,205)
FUND BALANCES AT BEGINNING					
OF YEAR, as restated	<u>27,474,560</u>	<u>19,391,120</u>	<u>49,150,401</u>	<u>14,996,719</u>	<u>111,012,800</u>
FUND BALANCE AT END OF YEAR	<u>\$ 28,928,179</u>	<u>18,453,865</u>	<u>28,321,368</u>	<u>15,166,183</u>	<u>90,869,595</u>

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
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, 2011

Net Changes in Fund Balances - Total Governmental Funds \$ (20,143,205)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	16,478,322	
Depreciation	(10,032,164)	
Disposals of capital assets	<u>(86,734)</u>	
		6,359,424

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (400,535)

Proceeds from the issuance of debt is revenues in the governmental funds but is an increase in long-term liabilities in the statement of net assets:

Inception of capital lease	<u>(128,447)</u>	
		(128,447)

Repayment of bond and capital lease principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities:

General obligation debt	10,689,507	
Accretion repayment	1,121,818	
Capital lease payments	<u>295,229</u>	
		12,106,554

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due. 141,770

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

Compensated absences		(156,840)
Accretion on bonds		(566,393)
Amortization of deferred amount on refunding	(427,346)	
Amortization of bond premium	823,643	
Amortization of bond issuance costs	<u>(230,365)</u>	
Amortization, net		<u>165,932</u>

Change in Net Assets of Governmental Activities \$ (2,621,740)

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
ASSETS:		
Cash and investments	\$ 20,202	\$ 456,135
TOTAL ASSETS	20,202	456,135
LIABILITIES:		
Due to other		456,135
TOTAL LIABILITIES	-	\$ 456,135
NET ASSETS		
Assets held in trust	\$ 20,202	

See accompanying notes to the basic financial statements.

OLENTANGY LOCAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011

	PRIVATE PURPOSE <u>TRUST</u>
ADDITIONS	
Investment Earnings- Interest	\$ 3
TOTAL ADDITIONS	<u>3</u>
DEDUCTIONS	
Contributions-Scholarships	-
TOTAL DEDUCTIONS	<u>-</u>
Change in net assets	3
NET ASSETS-beginning of the year	20,199
NET ASSETS-end of the year	<u>\$ 20,202</u>

See accompanying notes to the basic financial statements.

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OLENTANGY LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Year Ended June 30, 2011

1. REPORTING ENTITY

The Olentangy Local School District (the District) is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. The District is governed by a five-member board of education (the Board) elected by the citizens of the District.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the school district only (i.e. there are no component units).

Jointly Governed Organizations

The Delaware Area Career Center (DACC) is a distinct political subdivision of the State of Ohio which provides vocational education. The DACC operated under the direction of a Board consisting of one or two representatives from each of the four participating school districts' Boards of Education, and two representatives from the Educational Service Center of Central Ohio (ESC). The degree of control exercised by the District is limited to its representation on the Board. The Board of DACC possesses its own budgetary and taxing authority. Financial information can be obtained from DACC at, 4565 Columbus Pike Road, Delaware, Ohio 43015.

The District is a participant in the Tri-Rivers Educational Computer Association (TRECA), which is a computer consortium. TRECA is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member school districts. The governing board of TRECA consists of one representative from each county elected by the majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from Tri-Rivers Joint Vocational School. Financial information for TRECA can be obtained from TRECA administrative offices at: 100 Executive Drive, Marion, Ohio 43302.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

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 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) *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from legally separate *component units* for which the primary government is financially accountable. The District (primary government) has no business-type activities or component units.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to those who benefit from the goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no proprietary funds.

(b) *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

On the 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 the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 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 the 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 year-end: property taxes available as an advance, tuition, grants, and fees.

Unearned Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance year 2012 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The District reports the following major governmental funds:

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

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

Capital Projects Building Fund - The Building Fund is used to account for the receipts and expenditures related to the acquisition and construction of capital facilities including real property.

The District's nonmajor governmental funds include the following fund types:

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

Capital Projects Fund - Capital Project governmental funds that are used to account for financial resources to be used for the acquisition and/or construction of capital items (other than those financed by the Building Fund)

Additionally, the District reports the following fund types:

Fiduciary Funds – Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. This includes Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Agency Fund, the Student Activities Agency Fund, and one Private Purpose Trust Fund, the Viers Scholarship Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts reported as program revenues include 1) charges to those who benefit from the goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(c) Cash and Investments

Monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout. The District records all its investments at fair value.

(d) Inventory and Prepaid Assets

On government-wide financial statements, inventories are presented at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and inventories are determined by physical count.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government-wide and fund financial statements.

(e) Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$2,000 and a useful life of less than five years. The District does not possess any infrastructure.

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

Buildings & Improvements	10-50
Furniture and Equipment	5-20
Vehicles	8-15

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets.

(g) Compensated Absences

The District has implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The entire compensated absence liability is reported on the entity-wide financial statements. For governmental fund financial statements, the liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. When paid, compensated absences for governmental activities are paid from the fund to which the employee's payroll is charged.

(h) Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt is reported in the entity-wide financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term liabilities paid from governmental funds are not recognized as a liability in the fund financial statements until due.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Fund Balance Reserves / Restrictions*

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

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the 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 classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

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 used only to report the deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are 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 can be used.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Management Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

(k) *Unamortized Insurance Costs/Bond Premium and Discount*

On government-wide financial statements, issuance costs, premiums, and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges and are generally paid from debt proceeds. Bond premiums are presented as an addition to the face amount of bonds payable. Bond discounts are presented as a reduction of the face amount of bonds payable.

On the governmental fund financial statements, issuance costs and bond premiums and discounts are recognized in the period when the debt is issued.

3. CASH AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

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

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

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

3. CASH AND INVESTMENTS (continued)

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

1. United States Treasury bills, bonds, notes, 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 obligation or security issued by any federal government agency or instrumentality including, but no 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio);
8. Commercial paper and bankers' acceptance if training requirements have been met.

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.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

3. CASH AND INVESTMENTS (continued)

Deposits with Financial Institutions:

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$17,363,881 of the District's bank balance of \$42,000,784 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State 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.

The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments:

As of June 30, 2011, 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
FHLB DN	\$9,342,608	-	9,342,608	-	-
FNMA	1,500,455	-	-	1,500,455	-
FHLB	5,014,923	1,751,332	954,053	2,309,538	-
FHLM	6,253,081	-	-	4,802,047	1,451,034
US Treasury Bills	1,738,042	-	1,738,042	-	-
Commercial Paper	3,108,178	3,108,178	-	-	-
Money Market Funds	23,146	23,146	-	-	-
Star Ohio	20,463,801	20,463,801	-	-	-
	<u>\$47,444,234</u>	<u>\$25,346,457</u>	<u>\$12,034,703</u>	<u>\$8,612,040</u>	<u>\$1,451,034</u>

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

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

3. CASH AND INVESTMENTS (continued)

Credit Risk. The District does not have a policy related to custodial credit risk for investments. The District’s investments were rated “AAA” and “Aaa” by Standard & Poor’s and Moody’s Investor Services, respectively. Standard & Poor’s has assigned STAROhio an “AAAm” money market rating. The money market fund is unrated.

Custodial Credit Risk Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy related to custodial credit risk for investments; however, the District minimizes custodial credit risk by utilizing multiple safekeeping agents for its book-entry securities.

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 to total of each investment type held by the District at June 30, 2011:

Investment type	Fair Value	% to total
FHLB DN	\$ 9,342,608	19.69%
FNMA	1,500,455	3.16%
FHLB	5,014,923	10.57%
FHLM	6,253,081	13.18%
US Treasury Bills	1,738,042	3.66%
Commerical Paper	3,108,178	6.55%
US Bank Money Market	23,146	0.05%
STAROhio	20,463,801	43.14%
	\$ 47,444,234	100.00%

4. PROPERTY TAXES

Property taxes are levied and assessed on a calendar-year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against all real, public and tangible (i.e., used in business) property located in the District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised value.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

4. PROPERTY TAXES (continued)

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at market value and personal property is assessed at true value (normally 50% of cost).

The Delaware County Treasurer and Franklin County Treasurer collect property taxes on behalf of the District. The County Auditors periodically remit to the District its portion of the taxes collected. These tax "advances" are based on historical cash flow collection rates. Final "settlements" are made each March and August.

The majority of property tax revenues (in excess of 99%) are collected by the Delaware County Treasurer. The assessed values for collection in 2011, upon which the 2010 levies were based, are as follows:

Agricultural/Residential Real Estate	\$ 2,683,097,990
Commercial/Industrial Real Estate	435,669,240
Public Utility Real Estate	362,940
Public Utility Tangible	77,006,760
	<u>\$ 3,196,136,930</u>

Real property taxes are payable annually or semiannually. If paid annually, the payment is due February 10; if paid semiannually, the payment is due February 10 with the remainder payable by July 10.

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2011. However, monies legally available as an advance to the District as of June 30, 2011 are recognized as revenue as they are both measurable and available.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

5. RECEIVABLES

Receivables at June 30, 2011, consisted of taxes, payments in lieu of taxes, interest and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	
Taxes current	\$ 139,280,638
Taxes delinquent	3,326,409
Payments in lieu of taxes	11,607,617
Interest	76,001
Other	2,213,069
Total receivables	<u>\$ 156,503,734</u>

6. DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables at June 30, 2011, consist of the following:

Governmental Activities:	
Federal	\$ 549,925

7. INTERFUND ACTIVITY

At June 30, 2011 the Interfund receivables and payables consisted of:

Due to the General Fund from:

Title VI-B	108,991
Title I	16,214
Title III	119
Education of the Handicapped Preschool	2,429
Title II-A	10,030
	<u>\$137,783</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

8. CAPITAL ASSETS

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

	Balance June 30, 2010	Additions	Disposals	Transfers	Balance June 30, 2011
Capital Assets used in:					
Governmental Activities					
Nondepreciable capital assets:					
Land	\$ 29,709,256	-	-	-	29,709,256
Construction in progress	19,845,484	15,188,156	147,193	(9,174,342)	25,712,105
Total nondepreciable capital assets	49,554,740	15,188,156	147,193	(9,174,342)	55,421,361
Depreciable capital assets:					
Building and improvements	310,083,581	166,812	9,320	9,174,342	319,415,415
Furniture, fixtures and equipment	25,771,037	1,246,040	332,811	-	26,684,266
Buses, autos and trucks	11,045,771	24,507	335,113	-	10,735,165
Total depreciable capital assets	346,900,389	1,437,359	677,244	9,174,342	356,834,846
Accumulated depreciation:					
Building and improvements	45,837,381	6,789,145	3,650	-	52,622,876
Furniture, fixtures and equipment	11,566,432	2,215,005	253,611	-	13,527,826
Buses, autos and trucks	6,248,455	1,028,014	333,249	-	6,943,220
Total accumulated depreciation	63,652,268	10,032,164	590,510	-	73,093,922
Total depreciable capital assets, net	283,248,121	(8,594,805)	86,734	9,174,342	283,740,924
Total governmental activities capital assets, net	\$ 332,802,861	6,593,351	233,927	-	339,162,285

Depreciation expense was charged to governmental functions as follows:

Instructional services:	
Regular	\$ 7,604,797
Special	215,553
Support services:	
Operation and maintenance of plant	428,719
School administration	128,883
Fiscal	7,068
Pupils	7,598
Business operations	17,561
Instructional staff	8,335
Food services	255,237
Central	19,285
Student transportation	1,063,860
Co-curricular student activities	275,268
Total depreciation	\$ 10,032,164

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

8. CAPITAL ASSETS (continued)

Construction in progress at June 30, 2011 is composed of the following:

	<u>Project Authorization</u>	<u>Expended to June 30, 2011</u>	<u>Committed</u>
Heritage Elementary	\$11,600,000	8,096,698	3,503,302
Berkshire Middle School	24,400,000	16,570,118	7,829,882
Olentangy HS Renovations	<u>4,000,000</u>	<u>946,246</u>	<u>3,053,754</u>
Total Capital Projects	<u>\$40,000,000</u>	<u>25,613,062</u>	<u>14,386,938</u>

9. GENERAL LONG-TERM OBLIGATIONS

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Long-Term obligations of the District are included in the Statement of Net Assets. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

As of June 30, 2011, the District had twelve general obligation bonds outstanding. This debt was issued for general government activities, specifically, the construction and renovation of school buildings. General obligations currently outstanding are:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance at June 30, 2011</u>
Construction of High School (1)	12/01/88	7.75%	12/01/11	\$ 920,000
Construction of schools (2)	08/08/00	5.57%	12/01/11	68,000
Construction of schools (3)	02/14/02	4.1 -5.5%	12/01/30	7,849,999
School Facilities Construction/Improv. (4)	09/10/02	3.5-5%	12/01/27	13,185,000
School Facilities Construction/Improv. (5)	06/01/04	4.00%	12/01/14	229,994
Refunding Bonds 2004 (5)	06/01/04	4.00%	12/01/20	8,585,000
Refunding Bonds 2005 (6)	03/24/05	3.5-5%	12/01/27	30,045,000
Various purpose/refunding bonds 2006 (7)	02/01/06	3.7 - 5.0%	12/01/33	109,997,307
Various purpose/refunding bonds 2007 (8)	11/09/06	4.0-5.0%	12/01/32	89,949,954
Refunding Bonds 2007 (9)	11/14/07	3.7-5.0%	12/01/30	7,764,997
August 2008 refunding bond (10)	08/05/08	3.7-5.0%	12/01/36	36,395,000
Sept. 2009 Various purpose/refunding bonds (11)	09/03/09	2.0-5.25%	12/01/37	46,295,000
April 2010 Various purpose/refunding bonds (12)	04/06/10	1.85-6.26%	12/01/38	17,919,997
				<u>\$ 369,205,248</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

9. GENERAL LONG-TERM OBLIGATIONS (continued)

- 1) Included construction cost for an addition to the original high school.
- 2) These general obligation bonds are for the purpose of constructing, furnishing and equipping an elementary school; acquiring real estate for other district facilities; and providing security improvements to district facilities.
- 3) In February 2002, the District issued \$59,709,603 in various purpose general obligation bonds. These general obligations consist of:
 - a. \$58,169,625 for the purpose of constructing, furnishing, and equipping a new high school, new middle school, a new bus/maintenance facility, athletic fields and renovation of the west wing of current middle school, including a current refunding of the Districts \$30,000,000 School Facilities Construction and Improvement Notes dated October 16, 2001.
 - b. \$1,539,978 to partially advance refund the 1997 series and 2000 series general obligation building improvement and construction bonds.
- 4) On September 10, 2002, the District issued \$39,635,000 of general obligation bonds consisting of:

\$15,000,000 of the issued bonds was a portion of the \$73,170,000 approved by voters on May 8, 2001 for the purpose of constructing, furnishing, and equipping a new high school, new middle school, a new bus/maintenance facility, athletic fields, and renovations of the west wing of the current middle school.

\$24,635,000 of the issued bonds was approved by voters on May 7, 2002 for the purpose of acquiring land for school sites, constructing, furnishing, and equipping new elementary schools.

Bond issuance cost and the bond premium of \$325,700 and \$688,231 respectively has been recorded on the statement of net assets net of related amortization as deferred charges and long-term liabilities, respectively.
- 5) On June 1, 2004, the District issued \$61,600,000 of general obligation bonds and \$9,085,000 of refunding bonds consisting of the following:

\$61,600,000 approved by voters on March 2, 2004 for the purpose of acquiring land, constructing, furnishing, and equipping new elementary schools and a middle school, expanding existing facilities such as the bus/maintenance facility, purchasing school buses, and purchasing related textbooks and equipment.

The \$9,085,000 of refunding bonds were issued for the purpose of refunding various portions of the 1998 bonds, 2000 bonds 2002 bonds and the 2002A bonds listed above. Bond issuance cost and the bond premium of \$715,896 and \$4,237,771 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.
- 6) On March 24, 2005 the District issued \$34,779,980 of refunding bonds. The refunding bonds were issued for the purpose of refunding various portions of the 1995 bonds, 1997 bonds, 1999 bonds and the 2000 bonds listed above. This transaction resulted in an economic gain (present value cost) of \$1,667,607.

Bond issuance cost and the bond premium of \$368,575 and \$2,847,224 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.
- 7) On March 24, 2006 the District issued \$74,230,000 of various purpose bonds and \$43,532,307 refunding bonds consisting of the following:

\$77,000,000 approved by voters on November 8, 2005, for the purpose of acquiring land, constructing, furnishing, and equipping a new high school, a new elementary schools and expanding existing facilities, purchasing school buses, and purchasing related textbooks and equipment.

The \$43,762,306 of refunding bonds were issued for the purpose of refunding various portions of the 1999 bonds, 2002 bonds and the 2002A bonds listed above. Bond issuance cost and the bond premium of \$1,096,564 and \$7,105,081 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively. This transaction resulted in a cash flow savings of 1,839,821 and an economic gain (present value gain) of \$1,396,021.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

9. GENERAL LONG-TERM OBLIGATIONS (continued)

- 8) On November 9, 2006 the District issued \$89,949,954 in refunding bonds consisting to refund various portions of the 1999 bonds, 2002A bonds and the 2004A bonds listed above. Bond issuance cost and the bond premium of 834,442 and \$4,715,470 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively. This transaction resulted in a cash flow savings of \$3,917,924 and an economic gain (present value gain) of \$3,101,128.
- 9) On November 14, 2007 the District issued \$9,339,997 in refunding bonds to refund \$4,560,000 of the 1997series various purpose bonds, and \$4,780,000 of the 2006 various purpose bonds listed above. Bond issuance cost and the bond premium of \$182,630 and \$460,866 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.
- 10) On August 20, 2008 the District issued \$36,400,000 in bonds to refund \$36,400,000 in notes issued in May 2008. These monies were issued for the purpose of constructing, furnishing, and equipping, new school facilities, with related site improvements and appurtenances thereto; renovating, repairing and improving existing facilities. Bond issuance cost and the bond premium of \$327,129 and \$1,165,509 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.
- 11) On September 3, 2009 the District issued \$14,450,000 and \$34,470,000 in various purpose/refunding bonds. \$11,900,000 in bonds were to refund \$11,900,000 in notes issued in April 2009. \$13,349,999 in bonds were to refund various purpose 1999 bonds. The remaining portion of the bonds were issued for the purpose of constructing, furnishing, and equipping, new school facilities, with related site improvements and appurtenances thereto; renovating, repairing and improving existing facilities. Bond issuance cost and the bond premium of \$495,364 and \$969,100 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.
- 12) April 6, 2010 the District issued \$17,919,997 in various purpose/refunding bonds. These monies were issued for the purpose of constructing, furnishing, and equipping, new school facilities, with related site improvements and appurtenances thereto; renovating, repairing and improving existing facilities. Bond issuance cost and the bond premium of \$238,109 and \$240,019 respectively has been recorded on the statement of net assets, net of related amortization, as deferred charges and long-term liabilities, respectively.

Bonds payable included on the Statements of Net Assets are comprised of the following:

Amount outstanding at June 30, 2011	\$ 369,205,248
Accumulated accretion on discount debt	9,219,322
Unamortized bond premium, net of accumulated amortization of \$ 2,968,001	7,909,176
Deferred amount on refunding bonds, net	(6,202,410)
Amount included in the Statement of Net Assets	<u><u>\$ 380,131,336</u></u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

9. GENERAL LONG-TERM OBLIGATIONS (continued)

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

<u>Year ending June 30,</u>	<u>Interest rates</u>	<u>Principal</u>	<u>Interest</u>
2012	1.85 -7.75%	\$12,548,000	17,221,319
2013	1.85 -7.75%	14,335,000	16,275,068
2014	1.85 -7.75%	13,601,178	17,694,140
2015	1.85 -7.75%	13,536,221	17,483,071
2016	1.85 -7.75%	14,867,261	7,290,728
2017-2021	1.85 -7.75%	64,052,588	73,314,658
2022-2026	1.85 -7.75%	76,035,000	49,629,484
2027-2031	1.85 -7.75%	87,250,000	30,221,993
2032-2036	1.85 -7.75%	56,890,000	11,481,760
2037-2039	1.85 -7.75%	16,090,000	1,656,888
Total		<u>\$ 369,205,248</u>	<u>\$ 242,269,109</u>

Not included in the above amounts as of June 30, 2011 are \$139,575,000 of bonds that the District defeased in previous years. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the District's financial statements.

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The ORC further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. However, Revised Code Section 133.06(E) permits a school district to incur indebtedness in excess of the 9% direct debt limitation if, based on five year projections showing annual property value growth of 3% or more, the State Superintendent determines that such school district is a "special needs" district. The State Superintendent determined that the District is a special needs district on February 2, 2004, and again on December 17, 2007.

The effects of these debt limitations at June 30, 2011 are a voted debt margin of \$754,078,123 and an unvoted debt margin of \$3,196,137. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Delaware County and other taxing entities. As of June 30, 2011, these entities have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. These debt limitation calculations exclude \$9,219,322 in accretion of deep discount debt in accordance with State Law. Management believes that the District has complied with all bond covenants.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

9. GENERAL LONG-TERM OBLIGATIONS (continued)

Capital Lease Obligation

The District has entered into capitalized lease for equipment. Each lease meets the criteria of the capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases". New capital leases are reflected in the accounts "Regular Instruction" and "Inception of Capital Lease" in the funds which will be making the lease payments. Capital lease payments are reflected as debt service expenditures on the statement of revenues, expenditures, and changes in fund balance for the governmental funds. Principal payments in 2011 were \$295,229.

	Governmental Activities
Property under Capital Lease	\$1,709,898
Less Accumulated Depreciation	(1,136,303)
Total June 30, 2011	\$573,595

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2011:

Year	Governmental Activities	
	Principal	Interest
2012	\$160,815	38,052
2013	157,770	24,701
2014	128,479	12,814
2015	65,514	2,995
2016	6,738	74
Total	\$519,316	78,636

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

9. GENERAL LONG-TERM OBLIGATIONS (continued)

A summary of the changes in long-term liabilities follows:

	Balance June 30, 2010	Additions /Accretion	Reductions	Balance June 30, 2011	Amounts Due in One Year
Bonds payable, net					
Bonds at par	\$ 379,894,755	-	10,689,507	369,205,248	12,548,000
Accumulated accretion	9,774,747	566,393	1,121,818	9,219,322	-
Premiums, net	8,732,819	-	823,643	7,909,176	-
Deferred amounts on refundings	(6,629,756)	-	(427,346)	(6,202,410)	-
Bonds payable, net	391,772,565	566,393	12,207,622	380,131,336	12,548,000
Capital lease obligations	686,098	128,447	295,229	519,316	160,815
Accrued liabilities (accrued vacation and sick leave)	6,485,994	653,860	497,020	6,642,834	440,320
	<u>\$ 398,944,657</u>	<u>1,348,700</u>	<u>12,999,871</u>	<u>387,293,486</u>	<u>13,149,135</u>

The District employees are granted vacation and sick leave in varying amounts, which are paid from the funds in which the employees are charged.

10. RISK MANAGEMENT

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 contracts with third-party insurance company for property insurance (including boiler and machinery) and general liability insurance and vehicle insurance.

The District maintains comprehensive insurance coverage with private carriers for real property/building contents of \$398,761,542 with a \$5,000 deductible clause.

Professional liability is protected by another third-party insurance company with a \$1 million single occurrence limit, \$3 million aggregate limit and no deductible. Vehicles are covered by another third-party insurer and have a \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$1 million combined single limit of liability.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

10. RISK MANAGEMENT (continued)

On August 1, 2009 the District became self-insured in connection with a formalized risk management program in an effort to control claims and costs related to injured workers' compensation. The District pays into the self-insured fund, which is accounted for in the general fund, a percentage of the covered employee's salary. The rate is fixed and determined annually based on claims experience. The rate for fiscal year 2011 was 0.64% and is paid by the fund from which the employee is paid. The District contracts with a third party to manage claims and also purchased stop-loss coverage for claims exceeding \$400,000. A claims liability of \$55,603 was recorded at June 30, 2011. This amount represents an estimate of incurred but unpaid and unreported claims at year end, known claims, as well as an estimate of the claims liability that was previously administered via the State's Workers Compensation Plan (BWC). This liability is included in the "accrued wages and benefits" amounts on the Statement of Net Assets at June 30, 2011.

The District provides employee medical/surgical and dental benefits through a premium insurance plan. Employee monthly contributions are determined by negotiated agreements with the certificated and non-certificated staff bargaining units. The premium is paid by the fund that pays the salary for the employee.

The District provides life insurance and accidental death and dismemberment insurance to most employees through another third-party insurance carrier in an amount related to the employee's position, ranging from \$30,000 to \$60,000.

Prior to July 1, 2010 the District provided health care benefits for its employees and officers through a joint insurance program known as the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Consortium (the Pool), which commenced on June 1, 1988. The Pool is a legal entity, separate and apart from its 9 members and provides for joint administration of the funds of the Pool. The Board of Directors of the Pool is comprised of 1 representative from each of its members. See note 16.

Additionally, no payments have been made within the last three years to settle claims in excess of the above-noted insurance coverage.

11. DEFINED BENEFIT PENSION PLANS

A. School Employee Retirement System

Plan Description - The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and 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 stand-alone financial report that can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirement of plan members and employers are established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the system's funds (pension trust fund, death benefit fund, Medicare B fund, and health care fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to the Medicare B and health care funds. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 was \$2,352,694, \$2,500,338, and \$2,371,000, respectively. For fiscal year 2011, 80.15 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

11. DEFINED BENEFIT PENSION PLANS (continued)

New members have a choice of three retirement plans; a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service or on 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 DCP 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 fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The CP offers features of both the DBP and the DCP. In the CP, 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 DBP. The DBP portion of the CP payment is payable to a member on or after age sixty; the DCP portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DBP or CP 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 DCP who become disabled are entitled only to their account balance. If a member of the DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the STRS Ohio Board upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contribution to STRS Ohio for the DBP and for the defined benefit portion of the CP were \$281,000 and \$396,636 for the fiscal year ended June 30, 2011, \$368,437 and \$373,739 for the fiscal year ended June 30, 2010, and \$272,127 and \$0 for the fiscal year ended June 30, 2009. For fiscal year 2011, 82.20 percent has been contributed for the DBP and 82.20 percent has been contributed for the CP, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The contribution to STRS Ohio for the DCP for fiscal year 2011 was \$200,714 made by the plan members. In addition, member contributions of \$283,311 were made for fiscal year 2011 for the defined contribution portion of the CP.

11. DEFINED BENEFIT PENSION PLANS (continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2011, all five members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. School Employee Retirement System

Plan Description - The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for classified 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, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal 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 fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2011, this amount was \$35,800. For fiscal year 2011, the School District paid \$310,324 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility, and retirement status.

The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$284,873, \$89,997, and \$765,302, respectively. For fiscal year 2011, 80.15 percent has been contributed, with the balance being reported as an

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2011, this actuarially required allocation was .76 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 was \$151,401, \$148,690, and \$137,975, respectively. For fiscal year 2011, 80.15 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

B. State Teachers Retirement System

Plan Description - The School District participates in a cost-sharing multiple-employer defined benefit Health Care 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. Ohio law authorizes STRS Ohio to offer the Plan. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which can be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Chapter 3307 of the Ohio Revised Code 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to postemployment health care. The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$717,399, \$677,232, and \$618,765, respectively. For fiscal year 2011, 82.20 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

13. CONTINGENCIES

(a) *Grants*

The federal and state grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's administration believes such disallowances, if any, would be minimal.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

13. CONTINGENCIES (continued)

(b) *Litigation*

The District is a defendant in various other lawsuits. The outcome and possible impact of these lawsuits is not presently determinable.

14. SET-ASIDES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The excess reserves as shown below may be carried forward to reduce next year's expenditures.

The following information describes the change in year-end set-aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

	Textbook Reserve	Capital Maintenance Reserve
Balance, July 1, 2010	(\$2,238,008)	-
Required Set-Aside	2,382,239	2,382,239
Capital maintenance qualifying offset		(2,382,239)
Qualifying Expenditures	(1,911,970)	-
Total	<u>(\$1,767,739)</u>	<u>-</u>
Balance, June 30, 2011	<u>\$ -</u>	<u>-</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

15. FUND DEFICITS / ACCOUNTABILITY

The following funds had a GAAP basis deficit fund balance at June 30, 2011:

Special Revenue Funds:	<u>Deficit Fund Balances</u>
Title VI-B	\$ 1,913
Title I	13,162
Title III Limited English	119
Safe and Drug-Free Schools	2,429
Education of the Handicapped Preschool	1,552

The GAAP basis deficit balance is a result of the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

16. FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	<u>General</u>	<u>Debt Service</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable for:					
Inventories	\$ 319,796	-	-	200,791	520,587
Restricted for:					
Debt Service	-	18,453,865	-	-	18,453,865
Capital Outlays	-	-	28,321,368	12,183,497	40,504,865
Student Activities	-	-	-	344,071	344,071
Food Services	-	-	-	2,167,712	2,167,712
Other Federal Grants	-	-	-	12,002	12,002
Local Sources	-	-	-	193,513	193,513
Community Activities	-	-	-	83,772	83,772
Total Restricted	-	18,453,865	28,321,368	14,984,567	61,759,800
Assigned for:					
Unpaid Obligations	16,244,978	-	-	-	16,244,978
Unassigned	12,363,405	-	-	(19,175)	12,344,230
Total Fund Balance	<u>\$ 28,928,179</u>	<u>18,453,865</u>	<u>28,321,368</u>	<u>15,166,183</u>	<u>90,869,595</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements, Continued

17. EXTRAORDINARY AND SPECIAL ITEM

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 District and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary items. The District reported one special item for the refund of prior insurance expenditures due to withdrawing from Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Consortium (CDMU). The District receive a one time reimbursement from CDMU.

As part of the District withdrawing from the joint insurance program known as the Champaign, Delaware, Marion, Union School Employee Welfare Benefit Association Consortium (CDMU), a jointly governed self-insurance pool, a series of law suits was filed by the District with a counter claim by CDMU. The District requested payments of its calculated reserves on hand with CDMU, while CDMU requested the District to forgo any rights to such reserves as well as pay out an estimated run-out of claims as of July 1, 2009. Upon resolution of this matter the District received \$2.1 million as a refund of prior insurance expenditures.

18. RESTATEMENT

On July 1, 2010, the District implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result, certain funds previously reported as Special Revenue Funds were reclassified to the General Fund. The adjustment had the following effect on beginning fund balances:

	General Fund	Other Governmental Funds
Fund balance July 1, 2010	\$ 27,045,434	\$ 15,425,845
Fund Reclassifications:		
Other Local Sources	177,371	(177,371)
Public School Support	251,755	(251,755)
Fund balance as restated	\$ 27,474,560	\$ 14,996,719

19. SUBSEQUENT EVENT

On October 26, 2011, the District sold \$2,100,000 of School Facilities Construction and Improvement Notes. The funds provide for a variety of capital improvement projects.

REQUIRED SUPPLEMENTARY INFORMATION

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OLENTANGY LOCAL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	
REVENUES:				
Property taxes	\$ 110,852,539	\$ 102,723,907	\$ 102,117,142	(606,765)
Investment income	45,487	47,185	277,638	230,453
Tuition fees	573,010	527,893	510,737	(17,156)
Miscellaneous	2,893,502	2,712,453	3,393,465	681,012
Revenue in lieu of taxes	11,296,012	10,461,566	10,158,379	(303,187)
State sources	26,458,443	24,519,279	23,937,192	(582,087)
TOTAL REVENUES	152,118,993	140,992,283	140,394,553	(597,730)
EXPENDITURES:				
Instructional services:				
Regular	73,558,527	73,523,066	73,264,595	258,471
Special	16,755,148	16,762,288	16,946,763	(184,475)
Vocational	999,234	998,432	924,357	74,075
TOTAL INSTRUCTIONAL SERVICES	91,312,909	91,283,786	91,135,715	148,071
Support services:				
Pupils	5,777,629	5,781,037	5,736,998	44,039
Instructional staff	8,794,993	8,802,642	8,773,518	29,124
Board of Education	730,310	834,885	816,550	18,335
School administration	8,159,836	8,206,451	8,054,166	152,285
Fiscal services	3,239,847	3,087,091	3,057,696	29,395
Business operations	263,885	341,902	333,752	8,150
Operation and maintenance of plant	15,333,562	15,382,503	14,287,250	1,095,253
Student transportation	7,485,077	7,461,607	7,375,435	86,172
Central services	3,817,739	3,697,781	3,460,873	236,908
TOTAL SUPPORT SERVICES	53,602,878	53,595,899	51,896,238	1,699,661
Co-curricular activities	2,901,057	2,902,472	3,259,581	(357,109)
Site improvement	513,002	573,003	609,837	(36,834)
TOTAL EXPENDITURES	148,329,846	148,355,160	146,901,371	1,453,789
Excess (deficiency) of revenues over expenditures	3,789,147	(7,362,877)	(6,506,818)	856,059
OTHER FINANCING SOURCES (USES):				
Other Financing Uses	(203,101)	(285,935)	-	285,935
Sale of fixed assets	-	-	36,617	36,617
Refund of prior year expenditures	30,325	25,000	1,950	(23,050)
TOTAL OTHER FINANCING SOURCES (USES)	(172,776)	(260,935)	38,567	299,502
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,616,371	(7,623,812)	(6,468,251)	1,155,561
Prior year encumbrances appropriated	2,930,101	2,930,101	2,930,101	-
FUND BALANCES AT BEGINNING OF YEAR	25,647,356	25,647,356	25,647,356	-
FUND BALANCES AT END OF YEAR	\$ 32,193,828	\$ 20,953,645	\$ 22,109,206	1,155,561

See notes to the required supplementary schedule.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2011

NOTE A - BUDGETARY DATA

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 legal level of budgetary control is at the fund level. Any budgetary modifications at this level must be made by resolution of the Board of Education.

Tax Budget:

The Superintendent and the 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. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

Under Ohio Revised Code, the Delaware County Budget Commission (Commission) waived the requirement that the District adopt a tax budget. However, the Commission requires the District to submit an "Alternative Tax Budget Form" which continues to include information reflecting the need for existing or increased tax rates. This form must be submitted to the Commission by March 1.

Estimated Resources:

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do 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 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 final Amended Certificate issued during fiscal year 2011.

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Required Supplementary Information, Continued

Appropriations:

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. 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, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

NOTE B - RECONCILING BUDGET BASIS AND GAAP

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis); and

OLENTANGY LOCAL SCHOOL DISTRICT
Notes to the Required Supplementary Information, Continued

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Net change in fund balance (GAAP Basis)	\$ 1,453,619
Adjustments:	
Due to revenues	(6,536,829)
Due to expenditures	(1,166,895)
Due to other financing sources	(126,497)
Funds budgeted as Special Revenue Funds	(91,649)
Net change in fund balance (Budget Basis)	<u>\$ (6,468,251)</u>

NOTE C – FUNDS BUDGETED ELSEWHERE

As part of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting, 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 entire Other Local Sources and Public School Support Fund.

OLENTANGY LOCAL SCHOOL DISTRICT

MAJOR GOVERNMENTAL FUNDS

General Fund

The **General Fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. See General Fund Budgetary Comparison Schedule in the Required Supplementary Information section of this report.

Debt Service Fund

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

Building Fund

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

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	Revised Budget	Actual	Variance with Revised Budget
DEBT SERVICE FUND			
Debt Service Fund			
Total Revenues and Other Sources	\$ 27,000,000	28,737,626	1,737,626
Total Expenditures and Other Uses	30,850,101	30,850,101	-
Net Change in Fund Balance	(3,850,101)	(2,112,475)	1,737,626
Fund Balance, July 1	16,876,990	16,876,990	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	\$ 13,026,889	14,764,515	1,737,626

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	Revised Budget	Actual	Variance with Revised Budget
CAPITAL PROJECTS FUND			
Building Fund			
Total Revenues and Other Sources	\$ 543,275	225,310	(317,965)
Total Expenditures and Other Uses	52,567,829	29,490,592	23,077,237
Net Change in Fund Balance	(52,024,554)	(29,265,282)	22,759,272
Fund Balance, July 1	31,062,266	31,062,266	-
Prior Year Encumbrances Appropriated	22,563,878	22,563,878	-
Fund Balance, June 30	<u>\$ 1,601,590</u>	<u>24,360,862</u>	<u>22,759,272</u>

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OLENTANGY LOCAL SCHOOL DISTRICT

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Public School Support - A fund used for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

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

District-Managed Student Activities - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Other Local Sources - A rotary fund provided to account for the purchase and sale of school supplies and other miscellaneous school donations. Profit and moneys derived from such sales or donations are to be used for school purposes or activities in connection with the school. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

Auxiliary Services Fund - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district. For generally accepted accounting purposes, this fund is accounted for as a special revenue fund.

EMIS Grant - A fund provided to account for the monies received and expended for the implementation of the Educational Management Information System that was required by recent legislation in Ohio.

Onenet Network Connectivity - A fund provided to account for money appropriated from the State of Ohio for Ohio Educational Computer Network Connections.

Other State Grants - A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

OLENTANGY LOCAL SCHOOL DISTRICT

Race to the Top - A fund provided to account for either a new program or expansion of an existing program to support initiative in the following areas: Standards and Assessments; Using Data to improve Instruction; and Great Teachers and Leaders.

Title VIB Grants - A fund provided to account for grants used to assist states in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

State Fiscal Stabilization Grant - A fund to account for grants providing financial assistance to State and Local Educational Agencies to meet the special needs of educationally deprived children.

Title III - Limited English Proficiency - A fund which accounts for Federal funds used to help educate children with English as a second language.

Title I Grants - A fund to account for grants providing financial assistance to State and Local Educational Agencies to meet the special needs of educationally deprived children.

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

Education of the Handicapped Preschool Grants - A fund to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Title II-A - A fund to account for grants providing financial assistance to State and Local Educational Agencies to improve teacher quality.

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

Food Service Fund - A fund used to record financial transactions related to the District's food service operations.

OLENTANGY LOCAL SCHOOL DISTRICT

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments and trust funds).

Permanent Improvement Fund - A fund used to provide expenditures for various capital improvements.

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

SPECIAL REVENUE FUNDS		
	GRANTS - LOCAL SOURCES	DISTRICT MANAGED STUDENT ACTIVITIES
ASSETS:		
Cash and investments	\$ 193,513	340,511
Receivables	-	8,304
Inventory	-	-
Due from other governments	-	-
TOTAL ASSETS	\$ 193,513	348,815
LIABILITIES:		
Accounts payable	\$ -	4,654
Due to other governments	-	90
Due to other funds	-	-
Due to others	-	-
Deferred revenue	-	-
Accrued liabilities	-	-
TOTAL LIABILITIES	-	4,744
EQUITY AND OTHER CREDITS:		
Fund balance:		
Non-spendable - Inventory	-	-
Restricted for		
Capital Outlays	-	-
Special Education	-	-
Student Activities	-	344,071
Food Services	-	-
Other Federal Grants	-	-
Other State Grants	-	-
Local sources	193,513	-
Community Activities	-	-
Unassigned	-	-
Total fund balance	193,513	344,071
TOTAL LIABILITIES AND FUND BALANCE	\$ 193,513	348,815

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

AUXILIARY SERVICE	EMIS GRANTS	ONENET NETWORK CONNECTIVITY
118,894	-	-
-	-	-
-	-	-
-	-	-
<u>118,894</u>	<u>-</u>	<u>-</u>
35,122	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>35,122</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
83,772	-	-
-	-	-
<u>83,772</u>	<u>-</u>	<u>-</u>
<u>118,894</u>	<u>-</u>	<u>-</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING BALANCE SHEET, Continued
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

SPECIAL REVENUE FUNDS

	OTHER STATE GRANTS	TITLE VIB GRANTS	TITLE I GRANTS
ASSETS:			
Cash and investments	\$ -	-	-
Receivables	-	-	-
Inventory	-	-	-
Due from other governments	-	215,539	86,694
TOTAL ASSETS	\$ -	215,539	86,694
LIABILITIES:			
Accounts payable	\$ -	1,828	198
Due to other governments	-	85	5,439
Due to other funds	-	108,991	16,214
Due to others	-	-	-
Deferred revenue	-	106,548	52,574
Accrued liabilities	-	-	25,431
TOTAL LIABILITIES	-	217,452	99,856
EQUITY AND OTHER CREDITS:			
FUND BALANCE:			
Non-spendable - Inventory	-	-	-
Restricted for			
Capital Outlays	-	-	-
Special Education	-	-	-
Student Activities	-	-	-
Food Services	-	-	-
Other Federal Grants	-	-	-
Other State Grants	-	-	-
Local sources	-	-	-
Community Activities	-	-	-
Unassigned	-	(1,913)	(13,162)
Total fund balance	-	(1,913)	(13,162)
TOTAL LIABILITIES AND FUND BALANCE	\$ -	215,539	86,694

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>RACE TO THE TOP</u>	<u>TITLE III LIMITED ENGLISH</u>	<u>SAFE AND DRUG-FREE SCHOOLS</u>	<u>STATE FISCAL STABILIZATION GRANT</u>	<u>EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS</u>
-	-	-	4,825	-
-	-	-	-	-
-	-	-	-	-
-	26,388	2,429	-	22,567
-	<u>26,388</u>	<u>2,429</u>	<u>4,825</u>	<u>22,567</u>
-	-	-	-	1,552
-	-	-	-	-
-	119	2,429	-	10,030
-	-	-	-	-
-	26,388	2,429	-	12,537
-	-	-	-	-
-	<u>26,507</u>	<u>4,858</u>	-	<u>24,119</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,825	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(119)	(2,429)	-	(1,552)
-	<u>(119)</u>	<u>(2,429)</u>	<u>4,825</u>	<u>(1,552)</u>
-	<u>26,388</u>	<u>2,429</u>	<u>4,825</u>	<u>22,567</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
 COMBINING BALANCE SHEET, Continued
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011**

	SPECIAL REVENUE FUNDS		
	TITLE II-A	OTHER FEDERAL GRANTS	FOOD SERVICE
ASSETS:			
Cash and investments	\$ 9,518	1,128	2,823,706
Receivables	-	-	3,161
Inventory	-	-	200,791
Due from other governments	74,732	1,553	120,023
TOTAL ASSETS	\$ 84,250	2,681	3,147,681
LIABILITIES:			
Accounts payable	\$ 5,022	-	39,309
Due to other governments	-	-	198,606
Due to other funds	-	-	-
Due to others	-	-	-
Deferred revenue	74,732	-	154,209
Accrued liabilities	-	-	387,054
TOTAL LIABILITIES	79,754	-	779,178
EQUITY AND OTHER CREDITS:			
FUND BALANCE:			
Non-spendable - Inventory	-	-	200,791
Restricted for			
Capital Outlays	-	-	-
Special Education	-	-	-
Student Activities	-	-	-
Food Services	-	-	2,167,712
Other Federal Grants	4,496	2,681	-
Other State Grants	-	-	-
Local sources	-	-	-
Community Activities	-	-	-
Unassigned	-	-	-
Total fund balance	4,496	2,681	2,368,503
TOTAL LIABILITIES AND FUND BALANCE	\$ 84,250	2,681	3,147,681

OLENTANGY LOCAL SCHOOL DISTRICT

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS PERMANENT IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
3,492,095	12,164,242	15,656,337
11,465	19,255	30,720
200,791	-	200,791
549,925	-	549,925
<u>4,254,276</u>	<u>12,183,497</u>	<u>16,437,773</u>
87,685	-	87,685
204,220	-	204,220
137,783	-	137,783
-	-	-
429,417	-	429,417
412,485	-	412,485
<u>1,271,590</u>	<u>-</u>	<u>1,271,590</u>
200,791	-	200,791
-	-	-
-	12,183,497	12,183,497
-	-	-
344,071	-	344,071
2,167,712	-	2,167,712
12,002	-	12,002
-	-	-
193,513	-	193,513
83,772	-	83,772
(19,175)	-	(19,175)
<u>2,982,686</u>	<u>12,183,497</u>	<u>15,166,183</u>
<u>4,254,276</u>	<u>12,183,497</u>	<u>16,437,773</u>

**OLENTANGY LOCAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

SPECIAL REVENUE FUNDS		
	GRANTS - LOCAL SOURCES	DISTRICT-MANAGED STUDENT ACTIVITIES
REVENUES:		
Intergovernmental:		
Federal restricted grants-in-aid	\$ -	-
State restricted grants-in-aid	-	-
Food Service	-	-
Investment income	-	-
Co-curricular activities	-	581,782
Other	29,530	133,958
TOTAL REVENUES	29,530	715,740
EXPENDITURES:		
Current:		
Instructional services:		
Regular	30,763	-
Special	-	-
Total Instructional Services	30,763	-
Support services:		
Operation and maintenance	-	-
School administration	-	-
Pupils	-	-
Instructional Staff	-	-
Fiscal services	-	-
Food Service	-	-
Central services	-	-
Total Support Services	-	-
Co-curricular student activities	-	494,446
Community services	-	158,324
Capital outlay	-	-
TOTAL EXPENDITURES	30,763	652,770
Net change in fund balances	(1,233)	62,970
OTHER FINANCING SOURCES -		
Transfers in	-	-
Transfers out	-	-
TOTAL OTHER FINANCING SOURCES	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,233)	62,970
FUND BALANCE AT BEGINNING OF YEAR	194,746	281,101
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 193,513	344,071

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

AUXILIARY SERVICE	EMIS GRANTS	ONENET NETWORK CONNECTIVITY
-	-	-
327,291	8,636	47,775
-	-	-
13	-	-
-	-	-
-	14,700	-
<u>327,304</u>	<u>23,336</u>	<u>47,775</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	53,501
<u>-</u>	<u>-</u>	<u>53,501</u>
-	-	-
365,229	-	-
-	-	-
<u>365,229</u>	<u>-</u>	<u>53,501</u>
(37,925)	23,336	(5,726)
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
(37,925)	23,336	(5,726)
121,697	(23,336)	5,726
<u>83,772</u>	<u>-</u>	<u>-</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS, Continued
 YEAR ENDED JUNE 30, 2011**

SPECIAL REVENUE FUNDS

	OTHER STATE GRANTS	TITLE VIB GRANTS	TITLE I GRANTS
REVENUES:			
Intergovernmental:			
Federal restricted grants-in-aid	\$ -	2,960,877	302,299
State restricted grants-in-aid	-	-	-
Food Service	-	-	-
Investment income	-	-	-
Co-curricular activities	-	-	-
Other	-	-	-
TOTAL REVENUES	<u>-</u>	<u>2,960,877</u>	<u>302,299</u>
EXPENDITURES:			
Current:			
Instructional services:			
Regular	-	-	-
Special	-	2,206,921	285,966
Total Instructional Services	<u>-</u>	<u>2,206,921</u>	<u>285,966</u>
Support services:			
Operation and maintenance	-	-	-
School administration	-	146	-
Pupils	-	772,113	-
Instructional Staff	177	-	10,452
Fiscal services	-	-	1,750
Food Service	-	-	-
Central services	-	-	-
Total Support Services	<u>177</u>	<u>772,259</u>	<u>12,202</u>
Co-curricular student activities	-	-	-
Community services	-	-	2,415
Capital outlay	-	-	-
TOTAL EXPENDITURES	<u>177</u>	<u>2,979,180</u>	<u>300,583</u>
Net change in fund balances	(177)	(18,303)	1,716
OTHER FINANCING SOURCES -			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(177)	(18,303)	1,716
FUND BALANCE AT BEGINNING OF YEAR	177	16,390	(14,878)
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ -</u>	<u>(1,913)</u>	<u>(13,162)</u>

OLENTANGY LOCAL SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

RACE TO THE TOP	TITLE III LIMITED ENGLISH	SAFE AND DRUG-FREE SCHOOLS	STATE FISCAL STABILIZATION GRANT	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS
41,268	58,450	9,425	651,408	92,888
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>41,268</u>	<u>58,450</u>	<u>9,425</u>	<u>651,408</u>	<u>92,888</u>
-	-	11,204	90,982	-
-	46,236	-	-	94,440
<u>-</u>	<u>46,236</u>	<u>11,204</u>	<u>90,982</u>	<u>94,440</u>
-	-	-	614,079	-
-	-	1,250	-	-
-	9,376	-	-	-
41,268	-	6,270	-	-
-	-	-	-	-
-	-	-	-	-
-	1,408	-	-	-
<u>41,268</u>	<u>10,784</u>	<u>7,520</u>	<u>614,079</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>41,268</u>	<u>57,020</u>	<u>18,724</u>	<u>705,061</u>	<u>94,440</u>
-	1,430	(9,299)	(53,653)	(1,552)
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,430	(9,299)	(53,653)	(1,552)
-	(1,549)	6,870	58,478	-
<u>-</u>	<u>(119)</u>	<u>(2,429)</u>	<u>4,825</u>	<u>(1,552)</u>

(Continued)

**OLENTANGY LOCAL SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS, Continued
 YEAR ENDED JUNE 30, 2011**

	SPECIAL REVENUE FUNDS		
	TITLE II-A	OTHER FEDERAL GRANTS	FOOD SERVICE
REVENUES:			
Intergovernmental:			
Federal restricted grants-in-aid	\$ 149,714	3,645	1,478,359
State restricted grants-in-aid	-	-	-
Food Service	-	-	5,525,311
Investment income	-	-	321
Co-curricular activities	-	-	-
Other	-	-	5,994
TOTAL REVENUES	149,714	3,645	7,009,985
EXPENDITURES:			
Current:			
Instructional services:			
Regular	-	-	-
Special	-	-	-
Total Instructional Services	-	-	-
Support services:			
Operation and maintenance	-	-	-
School administration	-	-	-
Pupils	-	-	-
Instructional Staff	145,761	4,489	-
Fiscal services	-	-	-
Food Service	-	-	6,789,489
Central services	-	-	-
Total Support Services	145,761	4,489	6,789,489
Co-curricular student activities	-	-	-
Community services	5,222	-	-
Capital outlay	-	-	-
TOTAL EXPENDITURES	150,983	4,489	6,789,489
Net change in fund balances	(1,269)	(844)	220,496
OTHER FINANCING SOURCES -			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,269)	(844)	220,496
FUND BALANCE AT BEGINNING OF YEAR	5,765	3,525	2,148,007
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 4,496	2,681	2,368,503

OLENTANGY LOCAL SCHOOL DISTRICT

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS PERMANENT IMPROVEMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
5,748,333	-	5,748,333
383,702	-	383,702
5,525,311	-	5,525,311
334	-	334
581,782	-	581,782
184,182	436,185	620,367
<u>12,423,644</u>	<u>436,185</u>	<u>12,859,829</u>
132,949	-	132,949
2,633,563	-	2,633,563
<u>2,766,512</u>	<u>-</u>	<u>2,766,512</u>
614,079	15,346	629,425
1,396	-	1,396
781,489	-	781,489
208,417	-	208,417
1,750	39,561	41,311
6,789,489	-	6,789,489
54,909	-	54,909
<u>8,451,529</u>	<u>54,907</u>	<u>8,506,436</u>
494,446	-	494,446
531,190	-	531,190
-	391,781	391,781
<u>12,243,677</u>	<u>446,688</u>	<u>12,690,365</u>
179,967	(10,503)	169,464
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
179,967	(10,503)	169,464
2,802,719	12,194,000	14,996,719
<u>2,982,686</u>	<u>12,183,497</u>	<u>15,166,183</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
SPECIAL REVENUE FUNDS			
Public School Support			
Total Revenues and Other Sources	\$ 268,250	288,456	20,206
Total Expenditures and Other Uses	411,973	278,835	133,138
Net Change in Fund Balance	(143,723)	9,621	153,344
Fund Balance, July 1	234,267	234,267	-
Prior Year Encumbrances Appropriated	25,249	25,249	-
Fund Balance, June 30	<u>\$ 115,793</u>	<u>269,137</u>	<u>153,344</u>
Grants - Other Local Sources			
Total Revenues and Other Sources	\$ 28,829	29,530	701
Total Expenditures and Other Uses	82,037	30,765	51,272
Net Change in Fund Balance	(53,208)	(1,235)	51,973
Fund Balance, July 1	193,947	193,947	-
Prior Year Encumbrances Appropriated	801	801	-
Fund Balance, June 30	<u>\$ 141,540</u>	<u>193,513</u>	<u>51,973</u>
District-Managed Student Activities			
Total Revenues and Other Sources	\$ 756,687	667,367	(89,320)
Total Expenditures and Other Uses	979,991	700,615	279,376
Net Change in Fund Balance	(223,304)	(33,248)	190,056
Fund Balance, July 1	273,998	273,998	-
Prior Year Encumbrances Appropriated	65,258	65,258	-
Fund Balance, June 30	<u>\$ 115,952</u>	<u>306,008</u>	<u>190,056</u>
Other Local Sources			
Total Revenues and Other Sources	\$ 1,373,126	1,082,277	(290,849)
Total Expenditures and Other Uses	1,499,354	1,092,043	407,311
Net Change in Fund Balance	(126,228)	(9,766)	116,462
Fund Balance, July 1	147,133	147,133	-
Prior Year Encumbrances Appropriated	23,093	23,093	-
Fund Balance, June 30	<u>\$ 43,998</u>	<u>160,460</u>	<u>116,462</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Auxiliary Services			
Total Revenues and Other Sources	\$ 359,179	359,192	13
Total Expenditures and Other Uses	467,297	434,009	33,288
Net Change in Fund Balance	(108,118)	(74,817)	33,301
Fund Balance, July 1	56,638	56,638	-
Prior Year Encumbrances Appropriated	52,811	52,811	-
Fund Balance, June 30	<u>\$ 1,331</u>	<u>34,632</u>	<u>33,301</u>
EMIS Grants			
Total Revenues and Other Sources	\$ 27,000	8,636	(18,364)
Total Expenditures and Other Uses	27,000	8,636	18,364
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Onenet Network Connectivity			
Total Revenues and Other Sources	\$ 47,775	47,775	-
Total Expenditures and Other Uses	53,501	53,501	-
Net Change in Fund Balance	(5,726)	(5,726)	-
Fund Balance, July 1	5,726	5,726	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Other State Grants			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	177	177	-
Net Change in Fund Balance	(177)	(177)	-
Fund Balance, July 1	177	177	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Race to the Top			
Total Revenues and Other Sources	\$ 43,282	41,268	(2,014)
Total Expenditures and Other Uses	43,282	41,268	2,014
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>
Title VI-B Grants			
Total Revenues and Other Sources	\$ 3,262,727	3,024,203	(238,524)
Total Expenditures and Other Uses	3,112,341	3,028,146	84,195
Net Change in Fund Balance	150,386	(3,943)	(154,329)
Fund Balance, July 1	(202,990)	(202,990)	-
Prior Year Encumbrances Appropriated	52,604	52,604	-
Fund Balance, June 30	<u>\$ -</u>	<u>(154,329)</u>	<u>(154,329)</u>
State Fiscal Stabilization Fund			
Total Revenues and Other Sources	\$ 646,864	651,408	4,544
Total Expenditures and Other Uses	705,342	705,061	281
Net Change in Fund Balance	(58,478)	(53,653)	4,825
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	58,478	58,478	-
Fund Balance, June 30	<u>\$ -</u>	<u>4,825</u>	<u>4,825</u>
Title III - Grants			
Total Revenues and Other Sources	\$ 62,944	58,450	(4,494)
Total Expenditures and Other Uses	63,111	59,070	4,041
Net Change in Fund Balance	(167)	(620)	(453)
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	167	167	-
Fund Balance, June 30	<u>\$ -</u>	<u>(453)</u>	<u>(453)</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Title I - Grants			
Total Revenues and Other Sources	\$ 363,155	312,042	(51,113)
Total Expenditures and Other Uses	335,683	302,804	32,879
Net Change in Fund Balance	27,472	9,238	(18,234)
Fund Balance, July 1	(28,868)	(28,868)	-
Prior Year Encumbrances Appropriated	1,396	1,396	-
Fund Balance, June 30	<u>\$ -</u>	<u>(18,234)</u>	<u>(18,234)</u>
Safe and Drug Free Schools Grant			
Total Revenues and Other Sources	\$ 15,715	13,286	(2,429)
Total Expenditures and Other Uses	18,725	18,725	-
Net Change in Fund Balance	(3,010)	(5,439)	(2,429)
Fund Balance, July 1	(3,821)	(3,821)	-
Prior Year Encumbrances Appropriated	6,831	6,831	-
Fund Balance, June 30	<u>\$ -</u>	<u>(2,429)</u>	<u>(2,429)</u>
Education of the Handicapped Preschool Grant			
Total Revenues and Other Sources	\$ 105,426	82,859	(22,567)
Total Expenditures and Other Uses	105,426	105,426	-
Net Change in Fund Balance	-	(22,567)	(22,567)
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>(22,567)</u>	<u>(22,567)</u>
Title II-A Grant			
Total Revenues and Other Sources	\$ 202,460	149,714	(52,746)
Total Expenditures and Other Uses	208,654	154,545	54,109
Net Change in Fund Balance	(6,194)	(4,831)	1,363
Fund Balance, July 1	3,808	3,808	-
Prior Year Encumbrances Appropriated	2,386	2,386	-
Fund Balance, June 30	<u>\$ -</u>	<u>1,363</u>	<u>1,363</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2011

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance with Revised Budget</u>
Other Federal Grants			
Total Revenues and Other Sources	\$ 7,151	4,562	(2,589)
Total Expenditures and Other Uses	8,205	4,521	3,684
Net Change in Fund Balance	(1,054)	41	1,095
Fund Balance, July 1	(1,434)	(1,434)	-
Prior Year Encumbrances Appropriated	2,488	2,488	-
Fund Balance, June 30	<u>\$ -</u>	<u>1,095</u>	<u>1,095</u>
Food Service			
Total Revenues and Other Sources	\$ 7,050,000	6,409,248	(640,752)
Total Expenditures and Other Uses	7,088,130	6,252,890	835,240
Net Change in Fund Balance	(38,130)	156,358	194,488
Fund Balance, July 1	2,566,331	2,566,331	-
Prior Year Encumbrances Appropriated	38,129	38,129	-
Fund Balance, June 30	<u>\$ 2,566,330</u>	<u>2,760,818</u>	<u>194,488</u>

OLENTANGY LOCAL SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2011

	Revised Budget	Actual	Variance with Revised Budget
CAPITAL PROJECTS FUND			
Permanent Improvement			
Total Revenues and Other Sources	\$ 58,110	416,930	358,820
Total Expenditures and Other Uses	12,210,708	858,423	11,352,285
Net Change in Fund Balance	(12,152,598)	(441,493)	11,711,105
Fund Balance, July 1	12,194,000	12,194,000	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	<u>\$ 41,402</u>	<u>11,752,507</u>	<u>11,711,105</u>

OLENTANGY LOCAL SCHOOL DISTRICT

Fiduciary Fund Type

Trust and Agency Funds

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

Private Purpose Trust Fund - A trust fund to account for assets held in a trust that were created by scholarship trust agreements, whereby income of those assets held is used for student scholarships.

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

OLENTANGY LOCAL SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	BALANCE At <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	BALANCE At <u>June 30, 2011</u>
ASSETS:				
Cash and investments	\$ 425,160	785,799	754,824	456,135
TOTAL ASSETS	\$ <u>425,160</u>	<u>785,799</u>	<u>754,824</u>	<u>456,135</u>
LIABILITIES:				
Due to others	\$ 425,160	790,869	759,894	456,135
TOTAL LIABILITIES	\$ <u>425,160</u>	<u>790,869</u>	<u>759,894</u>	<u>456,135</u>

OLENTANGY LOCAL SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2011

	Revised Budget	Actual	Variance with Revised Budget
FIDUCIARY FUND			
Private Purpose Trust Fund			
Total Revenues and Other Sources	\$ 50	3	(47)
Total Expenditures and Other Uses	136	-	136
Net Change in Fund Balance	(86)	3	89
Fund Balance, July 1	20,199	20,199	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance, June 30	\$ 20,113	20,202	89

**OLENTANGY LOCAL SCHOOL DISTRICT
STATISTICAL SECTION**

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	84
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	92
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	98
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	

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

OLENTANGY LOCAL SCHOOL DISTRICT
 Net Assets by Component, Last Nine Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$7,472,715	\$4,472,481	\$7,111,482	\$8,903,145
Restricted	10,180,627	10,924,626	12,560,888	17,830,931
Unrestricted	14,174,849	(5,421,516)	7,139,165	22,517,905
Total governmental activities net assets	<u>\$31,828,191</u>	<u>\$9,975,591</u>	<u>\$26,811,535</u>	<u>\$49,251,981</u>

Source: Office of the Treasurer, Olentangy Local School District

Table 1

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$13,137,514	\$10,647,873	\$14,819,090	\$3,163,011	\$5,020,431
17,746,583	21,480,317	21,938,231	33,553,973	32,942,870
18,032,699	19,425,032	11,087,727	13,009,548	9,141,491
<u>\$48,916,796</u>	<u>\$51,553,222</u>	<u>\$47,845,048</u>	<u>\$49,726,532</u>	<u>\$47,104,792</u>

OLENTANGY LOCAL SCHOOL DISTRICT

Changes in Net Assets, Last Nine Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Governmental activities:				
Instruction				
Regular	\$29,233,127	\$37,907,726	\$42,823,744	\$46,825,283
Special	5,144,488	8,267,681	8,728,471	9,515,195
Vocational	625,387	666,085	746,329	886,930
Continuing	190,931	355,891	349,114	0
Support Services				
Operation and maintenance of plant	6,015,864	8,678,220	9,483,145	10,004,841
School administration	3,650,786	4,493,767	4,875,771	4,944,790
Pupils	3,855,730	3,809,803	4,534,860	5,477,774
Business operations	1,771,349	1,944,399	2,288,138	2,488,272
Instructional staff	2,443,651	3,123,226	3,264,928	3,537,520
Student transportation	4,153,684	4,706,098	5,492,319	6,201,572
Food services	2,420,401	3,171,374	3,664,270	4,026,471
Central services	1,271,013	1,561,282	1,656,155	1,661,191
General administration	192,932	275,312	333,659	354,452
Facilities	486,959	217,159	0	0
Co-curricular activities	1,792,695	2,468,676	2,847,202	2,801,661
Community services	387,301	372,895	468,977	371,161
Interest	9,283,859	10,838,180	11,675,021	14,803,419
Total governmental activities expenses	<u>72,920,157</u>	<u>92,857,774</u>	<u>103,232,103</u>	<u>113,900,532</u>
Program Revenue				
Governmental activities:				
Charges for services:				
Instruction				
Regular	227,980	323,665	477,823	688,308
Support Services				
Food services	2,078,292	2,558,852	3,216,801	3,661,774
Co-curricular activities	571,257	746,666	867,974	952,609
Community services	0	0	0	65,255
Operating Grants and Contributions	<u>1,496,588</u>	<u>2,630,674</u>	<u>3,103,719</u>	<u>4,337,988</u>
Capital Contributions	0	1,134,873	4,651,152	0
Total governmental activities program revenue	<u>4,374,117</u>	<u>7,394,730</u>	<u>12,317,469</u>	<u>9,705,934</u>
Net Expense	<u>(68,546,040)</u>	<u>(85,463,044)</u>	<u>(90,914,634)</u>	<u>(104,194,598)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes	55,221,377	53,599,792	93,295,674	105,721,238
Payments in lieu of taxes	0	0	0	0
Grants and entitlements not restricted to Specific Programs	9,885,088	11,497,567	15,471,497	15,394,492
Investment earnings	1,374,433	427,295	1,783,425	5,125,075
Miscellaneous	582,526	670,651	655,565	394,239
Special Item: Refund of Prior Year Expenditure	0	0	0	0
Total governmental activities general revenues and other changes	<u>67,063,424</u>	<u>66,195,305</u>	<u>111,206,161</u>	<u>126,635,044</u>
Changes in Net Assets	<u>(\$1,482,616)</u>	<u>(\$19,267,739)</u>	<u>\$20,291,527</u>	<u>\$22,440,446</u>

Source: Office of the Treasurer, Olentangy Local School District

Table 2

2007	2008	2009	2010	2011
\$51,595,190	\$63,351,084	\$69,871,104	\$77,514,603	\$88,154,533
12,455,942	13,891,719	14,217,873	17,094,917	18,791,653
1,052,851	993,021	1,106,266	907,406	881,778
0	0	0	0	
11,352,535	12,924,366	15,245,349	15,642,735	15,534,373
6,029,579	7,681,963	7,718,207	8,328,364	7,730,868
4,181,363	4,542,879	6,159,601	6,469,777	6,547,426
2,819,975	2,227,233	3,208,353	3,983,948	3,479,616
5,461,880	6,645,984	8,125,921	8,444,707	9,116,113
6,303,408	7,230,673	7,904,571	7,916,609	8,510,975
4,573,743	5,525,299	6,276,750	6,625,352	6,966,666
2,101,499	2,367,639	2,487,193	2,641,064	3,495,008
286,484	396,744	533,635	394,642	610,703
0	0	0	0	0
3,289,805	3,821,794	4,656,175	4,764,973	4,217,340
715,456	516,660	730,475	553,538	531,190
13,925,336	16,131,220	17,325,099	18,961,460	18,968,861
<u>126,145,046</u>	<u>148,248,278</u>	<u>165,566,572</u>	<u>180,244,095</u>	<u>193,537,103</u>
683,200	656,917	731,890	833,934	1,968,582
4,110,020	4,494,932	5,007,556	5,245,811	5,531,305
1,151,313	1,211,959	1,432,186	1,453,868	581,782
85,276	81,633	69,727	59,046	133,958
<u>6,165,611</u>	<u>6,382,771</u>	<u>6,387,084</u>	<u>8,963,858</u>	<u>9,170,786</u>
498,681	0	0	0	0
<u>12,694,101</u>	<u>12,828,212</u>	<u>13,628,443</u>	<u>16,556,517</u>	<u>17,386,413</u>
<u>(113,450,945)</u>	<u>(135,420,066)</u>	<u>(151,938,129)</u>	<u>(163,687,578)</u>	<u>(176,150,690)</u>
89,541,969	106,880,168	111,190,249	133,075,955	132,244,731
0	7,793,675	10,941,327	8,014,579	12,063,164
16,332,422	17,973,698	23,256,179	23,426,024	23,849,493
6,539,783	4,474,517	2,159,194	447,746	475,887
701,586	934,434	683,006	604,758	2,795,675
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,100,000</u>
<u>113,115,760</u>	<u>138,056,492</u>	<u>148,229,955</u>	<u>165,569,062</u>	<u>173,528,950</u>
<u>(\$335,185)</u>	<u>\$2,636,426</u>	<u>(\$3,708,174)</u>	<u>\$1,881,484</u>	<u>(\$2,621,740)</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Fund Balances, Governmental Funds, Last Nine Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006
General Fund				
Reserved	\$12,922,194	\$5,573,883	\$19,728,818	\$25,158,402
Unreserved (Deficit)	3,187,498	(8,369,784)	(10,227,261)	259,600
Nonspendable	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Total General Fund	<u>16,109,692</u>	<u>(2,795,901)</u>	<u>9,501,557</u>	<u>25,418,002</u>
All Other Governmental Funds				
Reserved	18,267,638	11,051,096	6,593,600	79,099,119
Unreserved, reported in:				
Special Revenue Funds	951,688	1,110,792	1,484,291	2,145,492
Debt Service Fund	3,032,701	7,874,857	7,073,458	9,154,210
Capital Projects Fund	14,479,498	60,921,291	52,227,516	36,772,927
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned (Deficit)	n/a	n/a	n/a	n/a
Total All Other Governmental Funds	<u>\$36,731,525</u>	<u>\$80,958,036</u>	<u>\$67,378,865</u>	<u>\$127,171,748</u>

Source: Office of the Treasurer, Olentangy Local School District

The District implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. As a result fund balance classifications were changed as of June 30, 2011.

Table 3

2007	2008	2009	2010	2011
\$11,930,490	\$15,059,283	\$13,483,003	\$10,497,303	n/a
8,967,542	7,230,616	8,459,258	16,548,131	n/a
n/a	n/a	n/a	n/a	319,796
n/a	n/a	n/a	n/a	16,244,978
n/a	n/a	n/a	n/a	12,363,405
<u>20,898,032</u>	<u>22,289,899</u>	<u>21,942,261</u>	<u>27,045,434</u>	<u>28,928,179</u>
28,800,162	28,180,064	17,950,259	21,099,510	n/a
2,698,550	2,934,440	2,845,975	3,016,225	n/a
11,776,749	14,483,257	17,200,636	16,896,363	n/a
29,137,802	37,609,710	29,180,805	42,955,268	n/a
n/a	n/a	n/a	n/a	200,791
n/a	n/a	n/a	n/a	61,759,800
n/a	n/a	n/a	n/a	0
n/a	n/a	n/a	n/a	(19,175)
<u>\$72,413,263</u>	<u>\$83,207,471</u>	<u>\$67,177,675</u>	<u>\$83,967,366</u>	<u>\$61,941,416</u>

OLENTANGY LOCAL SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007
Revenue					
From Local Sources					
Taxes	\$55,218,875	\$53,029,792	\$92,968,674	\$105,932,238	\$89,358,969
Tuition	227,980	323,665	477,823	489,593	1,219,479
Investment income	1,374,433	427,295	1,783,425	5,125,075	6,539,783
Food services	2,078,292	2,558,852	3,216,801	3,661,774	4,106,838
Co-curricular activities	571,257	746,666	867,974	952,609	455,374
Intergovernmental - State	10,279,466	12,243,660	16,296,214	16,960,487	19,248,878
Intergovernmental - Federal	987,165	1,860,824	2,096,205	2,850,828	3,367,072
Other Revenue	582,526	670,651	637,341	672,659	1,092,728
Total Revenues	<u>71,319,994</u>	<u>71,861,405</u>	<u>118,344,457</u>	<u>136,645,263</u>	<u>125,389,121</u>
Expenditures					
Current:					
Instruction					
Regular	27,286,855	34,285,184	38,546,799	42,652,305	47,043,417
Special	5,066,348	8,085,579	8,575,538	9,587,507	12,193,335
Vocational	592,806	656,618	738,515	846,504	1,092,596
Continuing	190,931	355,891	349,114	0	0
Support Services					
Operation and maintenance of plant	6,156,949	8,545,251	8,858,302	9,727,391	10,560,265
School administration	3,534,270	4,374,741	4,804,149	5,054,225	5,620,889
Pupils	3,806,049	3,775,244	4,531,252	5,442,613	4,153,301
Business operations	1,728,211	1,927,467	2,314,520	2,467,966	2,790,643
Instructional staff	2,479,700	3,096,737	3,221,256	3,465,848	5,430,964
Student transportation	5,086,093	5,929,092	5,801,428	5,568,608	6,636,861
Food services	2,255,382	2,983,685	3,469,304	3,851,125	4,408,999
Central services	1,224,971	1,533,023	1,670,545	1,644,252	1,934,402
General administration	194,180	274,462	333,659	354,452	286,484
Facilities	65,544	218,936	352,450	272,361	312,060
Co-curricular Activities	1,723,783	2,374,907	2,726,546	2,631,116	3,140,755
Community Services	387,276	398,343	470,914	371,531	713,482
Capital Outlay	57,848,352	19,495,419	15,095,460	25,611,770	57,651,499
Debt Service:					
Principal Retirement	3,451,537	3,534,195	5,817,145	4,842,560	3,999,519
Interest and Fiscal Charges	9,468,711	10,351,254	11,618,719	14,655,124	15,763,877
Total Expenditures	<u>132,547,948</u>	<u>112,196,028</u>	<u>119,295,615</u>	<u>139,047,258</u>	<u>183,733,348</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(61,227,954)</u>	<u>(40,334,623)</u>	<u>(951,158)</u>	<u>(2,401,995)</u>	<u>(58,344,227)</u>
Other Financing (Sources) Uses					
Proceeds from bonds issued	0	0	0	0	0
Proceeds from sale of assets	0	0	9,351	14,759	0
Proceeds from sale of bonds	39,635,000	61,600,000	0	74,230,000	0
Premium on bonds & notes	688,231	4,237,771	2,856,581	7,105,081	4,715,470
Proceeds from sale of notes	0	0	0	0	0
Issuance of refunding bonds	0	9,085,000	34,779,980	43,532,307	89,949,954
Payment to refunded bond escrow agent	0	(9,267,230)	(37,258,629)	(46,770,824)	(96,174,520)
Redemption of bond anticipation notes	0	0	0	0	0
Inception of capital lease	0	0	0	0	574,868
Proceeds from sale of assets	0	0	0	0	0
Transfers in	4,357	27,106	0	0	0
Transfers out	(4,357)	(27,106)	0	0	0
Total Other Financing (Sources) Uses	<u>40,323,231</u>	<u>65,655,541</u>	<u>387,283</u>	<u>78,111,323</u>	<u>(934,228)</u>
Net Changes in Fund Balance	<u>(\$20,904,723)</u>	<u>\$25,320,918</u>	<u>(\$563,875)</u>	<u>\$75,709,328</u>	<u>(\$59,278,455)</u>
Debt service as a percentage of noncapital expenditures	17.3%	15.0%	16.7%	17.2%	15.7%

Source: Office of the Treasurer, Olentangy Local School District

Table 4

2008	2009	2010	2011
\$113,844,843	\$122,008,576	\$140,619,654	\$144,708,698
1,223,276	1,371,787	1,439,510	1,643,236
4,474,517	2,159,194	415,746	447,564
4,493,533	5,007,556	5,245,079	5,525,311
455,463	590,144	533,173	581,782
20,772,188	26,346,526	26,216,398	27,300,001
3,569,344	3,430,743	5,909,751	5,748,333
1,186,247	909,292	933,532	5,334,942
<u>150,019,411</u>	<u>161,823,818</u>	<u>181,312,843</u>	<u>191,289,867</u>
56,635,706	63,087,442	69,317,025	76,579,732
13,770,332	13,995,119	16,818,543	18,692,597
981,998	1,095,048	941,756	908,770
0	0	0	0
12,690,178	14,449,518	14,655,066	14,708,451
7,018,217	7,626,637	8,124,900	7,917,428
4,554,433	6,115,407	6,373,339	6,549,321
2,214,112	3,201,539	3,757,654	3,659,615
6,604,827	8,076,686	8,392,172	9,073,372
6,805,361	6,946,812	8,207,437	7,238,715
5,316,186	6,035,217	6,419,953	6,789,489
2,337,809	2,469,635	2,652,203	3,461,718
396,744	533,635	394,642	580,703
282,933	294,831	438,581	513,205
3,649,330	4,450,591	4,492,964	3,914,831
534,477	727,641	553,538	531,190
29,192,799	28,103,217	22,141,945	19,662,275
6,469,166	7,610,563	10,833,270	10,984,736
15,117,165	16,556,877	18,447,581	19,831,988
<u>174,571,773</u>	<u>191,376,415</u>	<u>202,962,569</u>	<u>211,598,136</u>
<u>(24,552,362)</u>	<u>(29,552,597)</u>	<u>(21,649,726)</u>	<u>(20,308,269)</u>
0	0	0	0
18,578	41,586	0	36,617
0	0	41,589,998	0
598,093	1,233,577	0	0
36,400,000	11,900,000	1,209,119	0
9,339,997	36,400,000	25,249,999	0
(9,618,231)	0	(13,349,999)	0
0	(36,400,000)	(11,900,000)	0
0	0	743,473	128,447
0	0	0	0
0	0	12,200,000	0
0	0	(12,200,000)	0
<u>36,738,437</u>	<u>13,175,163</u>	<u>43,542,590</u>	<u>165,064</u>
<u>\$12,186,075</u>	<u>(\$16,377,434)</u>	<u>\$21,892,864</u>	<u>(\$20,143,205)</u>
14.8%	14.8%	16.2%	16.1%

OLENTANGY LOCAL SCHOOL DISTRICT
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Table 5

Tax Year		Real Estate			Tangible Personal			Public Utility		Total	
		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	35%	\$1,377,776,500	\$3,936,504,286	25%	\$109,991,816	\$439,967,264	35%	\$45,782,250	\$130,806,429	\$1,533,550,566	\$4,507,277,979
2003	35	1,707,103,130	4,877,437,514	25	134,155,435	536,621,740	35	70,270,560	200,773,029	1,911,529,125	5,614,832,283
2004	35	1,895,427,780	5,415,507,943	25	106,351,884	425,407,536	35	70,689,690	201,970,543	2,072,469,354	6,042,886,022
2005	35	2,101,605,530	6,004,587,229	25	108,881,867	435,527,468	35	75,269,710	215,056,314	2,285,757,107	6,655,171,011
2006	35	2,236,716,990	6,390,619,971	18.75	81,586,254	435,126,688	35	79,311,900	226,605,429	2,397,615,144	7,052,352,088
2007	35	2,820,985,610	8,059,958,886	12.5	66,713,068	533,704,544	35	82,361,510	235,318,600	2,970,060,188	8,828,982,030
2008	35	2,957,103,880	8,448,868,229	6.5	39,653,539	610,054,446	35	69,764,580	199,327,371	3,066,521,999	9,258,250,046
2009	35	3,037,618,780	8,678,910,800	0	8,009,532	0	35	72,402,910	206,865,457	3,118,031,222	8,885,776,257
2010	35	3,091,038,850	8,831,539,571	0	4,482,488	0	35	74,107,400	211,735,429	3,169,628,738	9,043,275,000
2011	35	3,119,130,170	8,911,800,486	0	0	0	35	77,006,760	220,019,314	3,196,136,930	9,131,819,800

Source: Office of Auditor, Delaware County, Ohio

Notes: (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
 (b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem proper taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. House Bill 66 has begun the phase out of TPP over the next 3 years. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero percent for 2009.

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OLENTANGY LOCAL SCHOOL DISTRICT
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)

Tax Year/ Collection Year	Delaware County	Delaware JVS	Delaware Library	Westerville Corp.	Columbus Corp./Orange Township	Olentangy Local School District			Total
						Gen. Fund	Bond	Unvoted	
2001/2002	\$5.61	\$3.20	\$0.18	\$13.95	\$11.75	\$38.60	\$6.20	\$5.00	\$49.80
2002/2003	5.61	3.20	0.15	17.85	12.15	38.60	6.96	5.00	50.56
2003/2004	5.61	3.20	0.12	17.51	14.55	38.60	6.90	5.00	50.50
2004/2005	5.61	3.20	0.09	17.40	14.00	49.10	6.90	5.00	61.00
2005/2006	5.98	3.20	0.08	17.42	14.00	49.10	7.90	5.00	62.00
2006/2007	5.98	3.20	0.08	17.42	14.00	49.10	7.90	5.00	62.00
2007/2008	4.25	3.20	0.08	18.55	10.06	49.10	7.90	5.00	62.00
2008/2009	4.25	3.20	0.08	18.79	10.24	57.00	8.72	5.00	70.72
2009/2010	7.09	3.20	1.03	17.15	8.60	57.00	8.72	5.00	70.72
2010/2011	7.10	3.20	1.00	19.75	8.60	57.00	8.72	5.00	70.72

Source: Office of Auditor, Delaware County, Ohio
Data provided on a collection year basis, the manner in which it is maintained by the County Auditor.

Table 6

Berkshire Township	Berlin Township	Concord Township	Delaware Township	Genoa Township	Powell Corp.	Liberty Township	Orange Township	Columbus Corp.	Delaware Corp.
\$3.50	\$4.80	\$12.00	\$7.30	\$12.80	\$3.13	\$7.45	\$12.45	\$2.10	\$2.10
3.50	5.30	12.00	7.30	12.80	5.30	9.40	12.85	2.10	2.10
3.50	5.30	12.00	7.30	12.80	4.95	9.32	15.25	2.10	2.10
3.50	5.30	12.00	7.30	12.80	4.01	9.30	14.70	2.10	2.10
3.50	5.30	12.00	7.30	10.10	11.95	9.20	14.70	2.10	2.80
3.50	5.30	12.00	7.30	10.10	11.95	9.20	14.70	2.10	2.80
6.71	7.69	13.91	10.21	12.01	13.43	11.04	11.21	2.10	2.80
6.89	7.87	14.09	10.59	12.19	13.68	11.17	11.39	3.74	4.89
4.80	5.78	12.00	8.50	10.10	11.74	9.14	9.30	2.10	2.80
4.80	5.78	12.00	8.50	12.00	10.95	9.13	9.30	2.10	2.80

OLENTANGY LOCAL SCHOOL DISTRICT
Principal Property Taxpayers

Table 7

June 30, 2011

Real Property (2011 collection year)

<u>Name</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
1) JPMorgan Chase & Co.	\$15,023,480	0.46%
2) Citicorp North America Inc.	14,069,440	0.44
3) Nationwide Mutual Insurance Company	9,937,780	0.31
4) NP Limited Partnership	9,702,920	0.30
5) Evans Capital Investments	9,319,670	0.29
6) Knickerbocker Properties INC XLII	8,505,000	0.27
7) Kroger Company	8,121,620	0.25
8) Tuller Square Northpointe LLC	7,132,830	0.22
9) UH Columbus Investments Limited Partnership	6,700,830	0.21
10) Market at Liberty Crossing LLC	5,924,460	0.19

Public Utility (2010 collection year)

1) Columbus Southern Power Company	49,995,910	1.56
2) American Transmissions Systems Inc.	10,252,380	0.32
3) Columbia Gas of Ohio	6,268,130	0.20
4) Ohio Power Co.	2,430,670	0.08
5) Suburban Natural Gas Co.	2,411,990	0.08
TOTAL PRINCIPAL TAXPAYERS	\$ 165,797,110	5.19
ALL OTHERS	\$ 3,030,339,820	94.81
TOTAL ASSESSED VALUATION	\$ 3,196,136,930	100.00%

June 30, 2002

Real Property (2002 collection year)

<u>Name</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
1) Planned Communities, Inc	\$9,345,175	0.60%
2) Tuller Square Northpointe LLC	7,104,580	0.46
3) M/I Schottenstein Homes	693,585	0.05
4) Rennob, Inc.	6,952,330	0.45
5) Fairfield Green	6,567,050	0.43
6) UH Columbus Investment LP	6,259,855	0.41
7) Triangle Properties	5,804,190	0.38
8) National Mutual Insurance Company	5,742,695	0.37
9) Meijer Limited Partnership	4,710,160	0.31
10) Planned Equities Development Co. LTD	4,523,225	0.29

Tangible Personal Property (2001 collection year)

1) Banc One Services Corporation	26,302,440	1.72
2) ATS Ohio, Inc.	2,817,300	0.18
3) Abrasive Technology	2,719,460	0.18
4) Meijer Stores LTD	27,478,180	1.79
5) Micro Industries Corp.	2,161,630	0.14

Public Utility (2002 collection year)

1) Columbus Southern Power Company	19,359,165	1.26
2) American Transmissions Systems, Inc.	6,527,966	0.43
3) Verizon North, Inc.	4,546,178	0.30
4) Ohio Bell Telephone Co.	2,179,275	0.14
5) Columbia Gas of Ohio	1,834,718	0.12
TOTAL PRINCIPAL TAXPAYERS	\$ 153,629,157	10.02
ALL OTHERS	\$ 1,379,921,409	89.98
TOTAL ASSESSED VALUATION	\$ 1,533,550,566	100.00%

Source: Office of the Auditor, Delaware County, Ohio

OLENTANGY LOCAL SCHOOL DISTRICT
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

Table 8

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Levy Collected</u>	<u>Delq. Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Tax Collection to Levy</u>
2001	\$49,769,612	\$48,562,867	97.58%	\$1,167,949	\$49,730,816	99.92%
2002	51,455,151	51,396,125	99.89	2,169,730	53,565,855	104.10
2003	58,358,353	57,159,636	97.95	2,088,809	59,248,445	101.53
2004	62,971,118	63,180,782	100.33	1,764,087	64,944,869	103.13
2005	89,922,820	90,412,008	100.54	1,822,221	92,234,229	102.57
2006	102,310,038	103,179,311	100.85	2,288,112	105,467,423	103.09
2007	110,063,600	110,321,239	100.23	1,091,685	111,412,924	101.23
2008	111,412,784	109,307,393	98.11	2,314,697	111,622,090	100.19
2009	139,610,900	135,618,208	97.14	3,237,249	138,855,457	99.46
2010	142,292,495	137,560,399	96.67	3,955,920	141,516,319	99.45

Note: (1) The information above is for real estate, public utilities and tangible personal property collections and levies. The District does not identify delinquent tax collections by tax year.

OLENTANGY LOCAL SCHOOL DISTRICT

Ratio of Net General Bonded Debt Outstanding

Last Ten Years

Table 9

Collection Year	Assessed Value Real & Personal Property ¹	General Debt ²	Capital Leases ²	% of Debt to Assessed Valuation	Net Bonded Debt Per Capita	Net Bonded Debt Per ADM
2002	\$1,533,550,566	\$152,678,010	424,603	9.98%	\$3,361	\$22,446
2002	1,911,529,125	188,968,533	317,543	9.90	3,855	24,996
2003	2,072,469,354	247,141,777	210,100	11.94	4,717	28,798
2004	2,285,757,107	251,401,756	132,974	11.00	4,560	26,147
2005	2,397,615,144	317,307,701	58,442	13.24	5,513	28,920
2006	2,970,060,188	310,171,014	437,100	10.46	5,513	26,529
2007	3,066,521,999	338,821,825	335,272	11.06	5,385	26,059
2008	3,118,031,222	346,832,017	228,632	11.13	5,458	24,696
2009	3,169,628,738	379,894,755	686,098	12.01	5,555	24,804
2010	3,196,136,930	369,205,248	519,316	11.57	5,269	22,635

Sources:

¹ Assessed values from Table 5.

² Office of the Treasurer, Olentangy Local School District.

OLENTANGY LOCAL SCHOOL DISTRICT
 Computation of Direct and Overlapping Debt
 June 30, 2011

Table 10

<u>Overlapping Units</u>	<u>Estimate Outstanding Debt</u>	<u>Percent Overlapping</u>	<u>Applicable to Olentangy Local School District</u>
Delaware County	\$37,620,050	49.77%	\$18,723,499
City of Columbus	1,993,418,000	1.41	28,107,194
City of Delaware	26,202,834	8.83	2,313,710
City of Powell	22,900,000	100.00	22,900,000
City of Westerville	28,380,655	2.11	598,832
Liberty Township	5,009,993	99.85	5,002,478
Delaware Area Career Center	60,000	62.55	37,530
Delaware Co. Library	-	65.92	-
Solid Waste Authority of Central Ohio	19,970,000	0.85	169,745
	<u>2,133,561,532</u>		<u>77,852,988</u>
 Olentangy Local School District	 <u>379,894,755</u>	 100.00	 <u>379,894,755</u>
Total	<u><u>\$2,513,456,287</u></u>		<u><u>\$457,747,743</u></u>

Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2011 collection year and the Debt outstanding was at December 31, 2010.

Source: Ohio Municipal Advisory Council

OLENTANGY LOCAL SCHOOL DISTRICT
 Computation of Legal Debt Margin
 June 30, 2011

Table 11

Total Assessed Valuation (1)	\$3,196,136,930
 OVERALL DEBT LIMITATION	
9 % of assessed valuation (2)	1,104,829,506
Gross indebtedness	369,205,248
Less: Debt outside limitations	-
Debt subject to 9% limitations	369,205,248
Less: Debt service fund balance	18,453,865
Net debt subject to limitations	350,751,383
Legal debt margin within 9% limitation	\$754,078,123
 UNVOTED DEBT LIMITATION	
.1% of assessed valuation	\$3,196,137
Gross indebtedness	-
Less: Debt outside limitations	0
Debt subject to limitations	-
Legal debt margin within .1% limitation	\$3,196,137

Note: (1) Assessed valuation from table 5.

(2) Amount is greater than 9% due to District being approved as a "special needs district" based on its 10-year growth in assessed valuation, as authorized by Ohio Revised Code 133.06.

Source: Office of the Treasurer, Olentangy Local School District

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OLENTANGY LOCAL SCHOOL DISTRICT

Legal Debt Margin Information

June 30, 2011

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt Limit	\$462,994,551	\$462,994,551	\$439,378,758	\$439,378,758
Total Net Debt Applicable to Limit	<u>152,678,010</u>	<u>188,968,533</u>	<u>247,141,777</u>	<u>241,401,756</u>
Legal Debt Margin	<u><u>310,316,541</u></u>	<u><u>274,026,018</u></u>	<u><u>192,236,981</u></u>	<u><u>197,977,002</u></u>
Total Net Debt Applicable to the Limit	32.98%	40.81%	56.25%	54.94%

Source: Office of the Treasurer, Olentangy Local School District

Table 12

2006	2007	2008	2009	2010	2011
\$555,404,142	\$555,404,142	\$1,104,829,506	\$1,104,829,506	\$1,104,829,506	\$1,104,829,506
244,763,108	248,566,462	338,821,825	346,832,017	360,503,635	350,751,383
310,641,034	306,837,680	766,007,681	757,997,489	744,325,871	754,078,123
44.07%	44.75%	30.67%	31.39%	32.63%	31.75%

OLENTANGY LOCAL SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

Table 13

Year	Population ¹	Delaware County Per Capita Income ²	Calculated Personal Income	Delaware County Unemployment Rate ³	Enrollment Membership ⁴
2002	45,422	\$42,300	\$1,921,350,600	3.9%	6,802
2003	49,024	39,816	1,951,939,584	4.0	7,560
2004	52,399	38,940	2,040,417,060	4.0	8,582
2005	55,128	39,980	2,204,017,440	4.2	9,615
2006	57,561	38,940	N/A	4.7	10,972
2007	60,321	40,703	N/A	5.0	11,972
2008	62,915	42,128	2,650,483,120	4.2	13,002
2009	63,544	44,738	2,842,831,472	7.5	14,044
2010	68,390	46,227	3,161,464,530	7.6	15,316
2011	70,068	51,479	3,607,030,572	6.6	16,311

Sources:

¹ Delaware County Regional Planning Commission

² Delaware County

³ June data of Ohio Department of Jobs and Family Services

⁴ Office of the Treasurer, Olentangy Local School District

OLENTANGY LOCAL SCHOOL DISTRICT

Principal Employers

Table 13 B

2011

Name	Number of Employees
1) JP Morgan Chase	9,200
2) Kroger Company	1,975
3) Olentangy Local Schools	1,891
4) Delaware County	1,130
5) Delaware City Schools	738
6) Meijer, Inc.	732
7) Big Walnut Local Schools	661
8) Ohio Wesleyan University	558
9) American Showa, Inc	531
10) Ohio Health (Grady Memorial Hospital)	509
 Total	 17,925
 Total Employment within Delaware County	 92,300

2002

Name	Number of Employees
1) JP Morgan Chase	6,500
2) Delaware County	858
3) Olentangy Local Schools	773
4) Kroger Company	700
5) Wal-Mart	660
6) CIGNA	640
7) Delaware City Schools	570
8) American Showa, Inc	500
9) Ohio Wesleyan University	495
10) PPG Industries, Inc.	410
 Total	 12,106
 Total Employment within Delaware County	 \$ 59,800

Source: Office of the Auditor, Delaware County, Ohio

OLENTANGY LOCAL SCHOOL DISTRICT
Staffing Statistics (Head Count)
Last Ten Years

	2002	2003	2004	2005	2006
Professional Staff:					
Administrative Intern	0.0	0.0	0.0	0.0	0.0
Assistant Principal	10.0	11.0	12.0	13.0	14.0
Principal	9.0	9.0	12.0	14.0	14.0
Superintendent	1.0	1.0	1.0	1.0	1.0
Supervise/Manage/Direct	7.0	9.0	15.0	15.0	14.0
Coordinator	4.0	7.0	4.0	5.0	7.0
Educ. Administrative Specialist	3.0	3.0	1.0	1.0	1.0
ESC Supervisor	0.0	0.0	0.0	0.0	0.0
Other Administrative (Dean)	1.0	1.0	1.0	0.0	0.0
Assistant Superintendent	0.0	0.0	1.0	1.0	1.0
Counseling	16.0	16.0	17.0	19.0	21.0
Librarian/Media	6.0	10.0	12.0	13.0	14.0
Remedial Specialist	13.0	10.0	19.0	22.0	23.0
General Education	0.0	0.0	0.0	0.0	0.0
Gifted and Talented	0.0	0.0	0.0	0.0	0.0
Preschool Handicapped Itinerant	0.0	0.0	0.0	0.0	0.0
Special Education	0.0	0.0	0.0	0.0	0.0
Career-Technical Programs/Pathways	0.0	0.0	0.0	0.0	0.0
Art Education K-8	0.0	0.0	0.0	0.0	0.0
Music Education K-8	0.0	0.0	0.0	0.0	0.0
Physical Education K-8	0.0	0.0	0.0	0.0	0.0
Regular Teaching	317.0	357.0	394.0	455.0	503.0
Special Educ. Teaching	40.0	47.0	52.0	36.0	35.0
Vocational Educ. Teaching	7.0	7.0	8.0	3.0	10.0
Tutor/Small Group Instructor	0.0	0.0	0.0	0.0	0.0
Educ. Service Personnel Teacher	42.0	48.0	58.0	64.0	66.0
Suppl. Service Teacher (Spec. Ed)	0.0	1.0	4.0	25.0	33.0
Psychologist	5.0	6.0	8.0	8.0	8.0
Registered Nursing	5.0	5.0	6.0	7.0	7.0
Physical Therapist	1.0	1.0	1.0	1.0	1.0
Speech and Language Therapist	5.0	6.0	7.0	8.0	7.0
Occupational Therapist	1.0	1.0	1.0	2.0	3.0
Other Professional	1.0	2.0	4.0	3.0	4.0
Special Education Supervisor	1.0	2.0	2.0	3.0	3.0
Home School Liaison	1.0	1.0	2.0	2.0	2.0
SST/Work Study	1.0	1.0	1.0	1.0	1.0
ESL	1.0	2.0	3.0	3.0	4.0
APE	1.0	1.0	1.0	1.0	1.0
Gifted	1.0	1.0	1.0	1.0	1.0
MH Teacher	1.0	1.0	1.0	1.0	1.0
SBH Teacher	2.0	2.0	2.0	2.0	2.0
Total Professional Staff	503.0	569.0	651.0	730.0	802.0

Table 14

2007	2008	2009	2010	2011
0.0	1.0	0.0	0.0	0.0
16.0	22.0	21.0	22.0	23.0
16.0	15.0	20.0	20.0	21.0
1.0	1.0	0.0	1.0	1.0
15.0	19.0	16.0	16.0	16.0
7.0	7.0	8.0	11.0	11.0
1.0	1.0	1.0	1.0	1.0
0.0	0.0	4.0	4.0	3.0
0.0	0.0	2.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
24.0	26.0	28.0	33.0	30.0
15.0	18.0	19.0	20.0	21.0
28.0	36.0	31.0	30.0	29.0
0.0	0.0	679.0	714.0	730.0
0.0	0.0	16.0	17.0	19.0
0.0	0.0	2.0	1.0	1.0
0.0	0.0	37.0	31.0	35.0
0.0	0.0	13.0	12.0	9.0
0.0	0.0	20.0	19.0	20.0
0.0	0.0	32.0	33.0	32.0
0.0	0.0	25.0	27.0	27.0
561.0	620.0	0.0	0.0	0.0
39.0	36.0	0.0	0.0	0.0
11.0	12.0	0.0	0.0	0.0
0.0	2.0	3.0	9.0	11.0
72.0	84.0	0.0	0.0	0.0
38.0	52.0	45.0	56.0	54.0
9.0	11.0	12.0	13.0	15.0
7.0	7.0	7.0	7.0	7.0
1.0	1.0	1.0	2.0	2.0
8.0	10.0	11.0	13.0	15.0
3.0	4.0	5.0	5.0	7.0
6.0	4.0	5.0	5.0	5.0
5.0	0.0	0.0	0.0	0.0
2.0	2.0	0.0	0.0	0.0
1.0	0.0	0.0	0.0	0.0
5.0	4.0	0.0	0.0	0.0
1.0	0.0	0.0	0.0	0.0
1.0	1.0	0.0	0.0	0.0
1.0	1.0	0.0	0.0	0.0
1.0	0.0	0.0	0.0	0.0
896.0	997.0	1,064.0	1,124.0	1,147.0

(continued)

OLENTANGY LOCAL SCHOOL DISTRICT

Staffing Statistics (Head Count)

Last Ten Years

(continued)

	2002	2003	2004	2005	2006
Support Staff:					
Accounting	3.0	3.0	2.0	2.0	4.0
Extended Services for General Supervisor	2.0	3.0	3.0	4.0	4.0
Treasurer	1.0	1.0	1.0	2.0	1.0
Accountant	0.0	0.0	0.0	0.0	0.0
Public Relations	1.0	1.0	0.0	1.0	1.0
Planning/Research/Development	0.0	0.0	0.0	0.0	0.0
Secretarial	1.0	1.0	1.0	1.0	1.0
SE Clerks	9.0	8.0	10.0	10.0	11.0
Aides	7.0	14.0	19.0	25.0	34.0
Computer Operating	9.0	10.0	14.0	17.0	18.0
Graphic Arts	0.0	0.0	0.0	1.0	0.0
Practical Nursing	0.0	0.0	0.0	1.0	0.0
Library Aide	8.0	8.0	9.0	10.0	9.0
Bookkeeping (Finance)	1.0	1.0	3.0	3.0	2.0
Clerical	46.0	51.0	59.0	65.0	67.0
Teaching Aide	5.0	4.0	4.0	5.0	6.0
General Maintenance	8.0	9.0	10.0	10.0	11.0
Mechanic	3.0	4.0	5.0	5.0	5.0
Vehicle Operator (Bus)	63.0	88.0	99.0	108.0	114.0
Custodian	48.0	50.0	69.0	76.0	83.0
Computer Programming	0.0	1.0	0.0	0.0	0.0
Other Professional	1.0	2.0	1.0	1.0	2.0
Records Managing	0.0	0.0	1.0	1.0	1.0
Messenger	0.0	1.0	0.0	0.0	0.0
Monitoring	9.0	10.0	13.0	14.0	18.0
Groundskeeping	1.0	6.0	12.0	11.0	10.0
Other Service Worker/Laborer	6.0	0.0	0.0		0.0
Food Service	58.0	61.0	43.0	50.0	49.0
Total Support Staff	<u>290.0</u>	<u>337.0</u>	<u>378.0</u>	<u>423.0</u>	<u>451.0</u>
 Total	 <u>793.0</u>	 <u>906.0</u>	 <u>1,029.0</u>	 <u>1,153.0</u>	 <u>1,253.0</u>

Table 14

2007	2008	2009	2010	2011
3.0	3.0	3.0	5.0	5.0
4.0	5.0	4.0	0.0	0.0
2.0	2.0	2.0	2.0	2.0
1.0	0.0	0.0	0.0	0.0
1.0	0.0	0.0	0.0	0.0
0.0	0.0	1.0	1.0	1.0
2.0	2.0	1.0	1.0	1.0
11.0	11.0	0.0	0.0	0.0
33.0	26.0	21.0	17.0	10.0
19.0	20.0	20.0	20.0	20.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
13.0	11.0	12.0	7.0	7.0
4.0	4.0	4.0	3.0	3.0
73.0	91.0	103.0	104.0	106.0
5.0	14.0	38.0	39.0	49.0
12.0	16.0	17.0	18.0	18.0
5.0	6.0	6.0	6.0	6.0
128.0	189.0	137.0	134.0	135.0
87.0	100.0	109.0	111.0	108.0
0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0
1.0	1.0	1.0	1.0	1.0
0.0	0.0	0.0	0.0	0.0
18.0	11.0	13.0	14.0	15.0
10.0	11.0	12.0	14.0	13.0
0.0	0.0	0.0	0.0	0.0
57.0	66.0	71.0	75.0	80.0
489.0	589.0	575.0	572.0	580.0
1,385.0	1,586.0	1,639.0	1,696.0	1,727.0

Olentangy Local School District
Staff Salary Statistics
Last Eight Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Percentage Of Teachers with Master Degrees * (or Beyond)	48.4%	53.6%	58.6%	62.8%
Average Teaching salary and Total FTE **	\$47,467 568.32	\$49,626 640.06	\$51,287 709.18	\$53,158 794.59

Salary Ranges and Number of Certified Staff in Each Range

Bachelor Degree - Step 0	\$31,030	\$31,573	\$32,441	\$33,366
Bachelor Degree - Step 22	60,863	61,927	63,630	65,444
BA + 15 - Step 0	32,272	32,836	33,739	34,700
BA + 15 - Step 22	62,889	63,989	65,749	67,623
BA + 30 - Step 0	33,202	33,783	34,712	35,701
BA + 30 - Step 22	64,248	65,372	67,170	69,084
Master Degree - Step 0	35,049	35,662	36,642	37,687
Master Degree - Step 22	65,607	66,755	68,591	70,545
Master + 15 - Step 0	36,786	37,430	38,459	39,555
Master + 15 - Step 22	68,015	69,205	71,108	73,135
Master + 30 - Step 0	38,524	39,198	40,276	41,424
Master + 30 - Step 22	72,921	74,197	76,237	78,410
Master + 45 - Step 0	40,262	40,966	42,093	43,292
Master + 45 - Step 22	78,041	79,406	81,590	83,915
Total # of Certified staff	586	657	719	818

Sources: * ODE Local Report Card
 ** EMIS Staff Reporting

Table 15

2008	2009	2010	2011
67.4%	71.3%	73.5%	76.0%
\$54,778	\$57,126	\$59,848	\$64,694
889.64	955.37	1,005.97	1,022.93
\$34,117	\$35,072	\$36,054	\$37,064
66,917	68,790	70,716	72,697
35,482	36,475	37,496	38,547
69,145	71,080	73,071	75,118
36,505	37,527	38,578	39,658
70,639	72,617	74,650	76,741
38,535	39,614	40,723	41,864
72,134	74,153	76,229	78,364
40,446	41,578	42,742	43,939
74,781	76,874	79,027	81,241
42,356	43,542	44,761	46,015
80,175	82,419	84,727	87,100
44,267	45,506	46,780	48,091
85,804	88,206	90,676	93,216
901	975	1,034	1,054

OLENTANGY LOCAL SCHOOL DISTRICT
Miscellaneous Statistics

Table 16

	<u>Olentangy</u>	<u>State</u> <u>Average</u>		
	(2010-2011)			
Student Attendance Rate %	96.1%	94.5%		
School District Graduation Rate %	99.5%	84.3%		
Core Academic Subject Elementary and Secondary Classes Taught by Highly qualified teachers %	100.0%	97.5%		
Core Academic Subject Elementary and Secondary Classes Taught By Properly Certified/Licensed Teachers %	100.0%	97.8%		
Expenditure Per Pupil - FY10	\$ 9,602	\$ 10,565		
Standardized Test Scores (2011 Graduates):	<u>Olentangy</u>	<u>Ohio</u>	<u>Nation</u>	
American College Test (ACT) Composite	24.2	21.8	21.1	
Scholastic Aptitude Test (SAT) Average				
Verbal	546	539	497	
Math	553	545	514	
Writing	530	522	489	
Food Service Operations	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Meals served to Students	1,154,578	1,304,988	1,427,189	1,507,088
% of Students Receiving Free Meals	4.8%	5.7%	6.0%	6.2%
% of Students Receiving Reduced Meals	1.5%	1.7%	2.0%	2.0%

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OLENTANGY LOCAL SCHOOL DISTRICT
 Capital Asset Additions by Function
 Last Nine Years

	2003	2004	2005	2006
Governmental Activities:				
Instruction				
Regular	\$57,476,947	\$19,083,020	\$14,806,397	\$26,251,772
Special	6,627	-	2,296	4,562
Support Services				
Operation and maintenance of plant	393,239	226,166	36,200	68,710
School administration	2,334	-	-	-
Pupils	-	-	44,649	41,000
Business operations	-	-	-	-
Instructional staff	11,728	-	4,052	-
Student transportation	1,301,025	1,657,617	892,848	31,814
Food services (rename Non-Instructional Servic	16,139	5,581	-	8,567
Central services	-	3,077	-	-
Co-curricular Activities	-	26,912	36,605	-
Community Services	-	28,427	5,869	4,495
Total Governmental Activities Capital Assets	59,208,039	21,030,800	15,828,916	26,410,920
Contributions	0	1,134,873	4,651,152	0
	\$59,208,039	\$22,165,673	\$20,480,068	\$26,410,920

Source: Office of the Treasurer, Olentangy Local School District
Note: GASB Statement #34 was implemented in fiscal 2003.

Table 17

2007	2008	2009	2010	2011
\$51,184,194	\$28,406,624	\$27,093,742	\$20,242,442	\$24,122,819
4,656	-	2,849	8,955	514,644
118,217	117,715	-	722,124	438,272
-	25,871	-	574,868	16,837
-	-	-	-	-
-	-	-	11,146	42,365
-	-	-	4,600	-
1,106,394	401,228	550,000	1,158,148	2,215
5,491	4,999	316,464	250,382	647,538
-	-	-	15,923	-
-	9,364	248,700	162,586	11,053
2,209	22,000	-	-	-
52,421,161	28,987,801	28,211,755	23,151,174	25,795,743
498,681	0	4,000	46,123	4,114
<u>\$52,919,842</u>	<u>\$28,987,801</u>	<u>\$28,215,755</u>	<u>\$23,197,297</u>	<u>\$25,799,857</u>

OLENTANGY LOCAL SCHOOL DISTRICT

School Building Information

Table 18

Building	Grades Housed	Capacity	Pupil/Teacher Ratio	Year Building Completed
Preschool (various buildings)	Pre K	300	9.78	1952
Alum Creek Elem.	K-5	650	22.11	1996
Arrowhead Elem.	K-5	650	22.19	1998
Cheshire Elementary	K-5	650	22.41	2010
Freedom Trail	K-5	650	21.79	2009
Glen Oak Elem.	K-5	650	22.64	2005
Indian Springs Elem.	K-5	650	22.17	2003
Johnnycake Corners Elem.	PS-5	650	21.96	2007
Liberty Tree Elem.	PS-5	650	22.26	2007
Meadows Elem.	K-5	650	22.97	2006
Oak Creek Elem.	K-5	650	22.26	2000
Scioto Ridge Elem.	K-5	650	22.29	1998
Tyler Run Elem.	K-5	650	23.31	2001
Walnut Creek Elem.	K-5	650	22.54	2003
Wyandot Run Elem.	PS-5	650	22.71	1993
Hyatts Middle School	6-8	900	23.77	2007
Liberty Middle School	6-8	900	24.91	2001
Orange Middle School	6-8	900	24.73	2004
Shanahan Middle School	6-8	900	25.00	1952
Olentangy High School	9-12	1,600	23.96	1990
Liberty High School	9-12	1,600	24.15	2003
Orange High School	9-12	1,600	24.94	2008
Facilities Under Construction				Expected Opening
Berkshire Middle School	6-8	900		2011-12
Heritage Elementary	K-5	650		2011-12

Source: Office of the Treasurer, Olentangy Local School District



Dave Yost • Auditor of State

OLENTANGY LOCAL SCHOOL DISTRICT

DELAWARE 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 8, 2012**