



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO  
AUDITOR OF STATE**

**STATE OF OHIO**



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Combined Balance Sheet All Fund Types and Account Groups .....	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental and Similar Fiduciary Fund Types .....	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual Comparison (Non-GAAP Budgetary Basis) All Governmental and Similar Fiduciary Fund Types .....	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings All Proprietary and Similar Fiduciary Fund Types .....	14
Combined Statement of Cash Flows All Proprietary and Similar Fiduciary Fund Types .....	15
Notes to the General-Purpose Financial Statements .....	17
Schedule of Federal Awards Expenditures .....	41
Notes to the Schedule of Federal Awards Expenditures .....	42
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	43
Report of Independent Accountants on Compliance with Requirements Applicable to the Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	45
Schedule of Findings .....	47

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## REPORT OF INDEPENDENT ACCOUNTANTS

Rossford Exempted Village School District  
Wood County  
601 Superior Street  
Rossford, Ohio 43460-1247

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Rossford Exempted Village School District (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As described in Note 22 to the general-purpose financial statements, during fiscal year 2000 the District reclassified a certain fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

March 6, 2001

**This page intentionally left blank.**

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,098,975	\$617,734	\$181,752	\$596,140
Receivables:				
Taxes	11,383,137		269,179	585,393
Accounts	10,926	389		2,620
Intergovernmental	21,851			
Interfund Receivable	21,600			
Materials and Supplies Inventory				
Prepaid Items	21,519			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	305,545			
Fixed Assets				
Accumulated Depreciation				
<b>Other Debits:</b>				
Amount in Debt Service Fund for Retirement of				
Amount to be Provided from				
General Government Resources				
<b>Total Assets and Other Debits</b>	<b>\$12,863,553</b>	<b>\$618,123</b>	<b>\$450,931</b>	<b>\$1,184,153</b>



Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$34,188	\$2,705	\$105,304			\$2,636,798
					12,237,709
	425	250			14,610
					21,851
					21,600
7,363					7,363
					21,519
					305,545
342,691 (266,762)			\$13,496,686		13,839,377 (266,762)
				\$181,752	181,752
				2,404,793	2,404,793
<b>\$117,480</b>	<b>\$3,130</b>	<b>\$105,554</b>	<b>\$13,496,686</b>	<b>\$2,586,545</b>	<b>\$31,426,155</b>

(Continued)

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2000  
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts Payable	\$40,666	\$2,179		\$2,557
Accrued Wages and Benefits	1,570,844	46,106		
Compensated Absences Payable	223,684			
Interfund Payable		2,600		
Intergovernmental Payable	216,649	4,137		
Deferred Revenue	10,699,093		\$249,205	546,524
Due to Students				
General Obligation Bonds Payable				
Total Liabilities	12,750,936	55,022	249,205	549,081
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	198,058	43,867		71,965
Reserved for Prepaid Items	21,519			
Reserved for Debt Service Principal			181,752	
Reserved for Advances	21,600			
Reserved for Property Taxes	684,044		19,974	38,869
Reserved for Budget Stabilization	305,545			
Unreserved:				
Unreserved, Undesignated	(1,118,149)	519,234		524,238
Total Fund Equity and Other Credits	112,617	563,101	201,726	635,072
<b>Total Liabilities, Fund Equity and Other Credit</b>	<b>\$12,863,553</b>	<b>\$618,123</b>	<b>\$450,931</b>	<b>\$1,184,153</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$528					\$45,930
33,107					1,650,057
4,395				\$1,003,623	1,231,702
19,000					21,600
22,447					243,233
2,605				117,922	11,615,349
		\$66,818			66,818
				1,465,000	1,465,000
<u>82,082</u>		<u>66,818</u>		<u>2,586,545</u>	<u>16,339,689</u>
			\$13,496,686		13,496,686
35,398	\$3,130				38,528
					313,890
					21,519
					181,752
					21,600
					742,887
					305,545
		38,736			(35,941)
<u>35,398</u>	<u>3,130</u>	<u>38,736</u>	<u>13,496,686</u>		<u>15,086,466</u>
<u>\$117,480</u>	<u>\$3,130</u>	<u>\$105,554</u>	<u>\$13,496,686</u>	<u>\$2,586,545</u>	<u>\$31,426,155</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2000**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Revenues:</b>		
Intergovernmental	\$2,812,544	\$461,161
Interest	241,481	
Tuition and Fees	204,784	
Rent	3,000	
Extracurricular Activities		99,938
Gifts and Donations		22,587
Customer Services	1,264	
Property and Other Local Taxes	11,590,856	
Miscellaneous	6,199	10,564
Total Revenues	14,860,128	594,250
<b>Expenditures:</b>		
Instruction:		
Regular	7,095,169	252,626
Special	1,177,952	140,830
Vocational	173,740	
Adult/Continuing	18,974	9,743
Support services:		
Pupils	1,148,729	56,453
Instructional Staff	414,753	11,263
Board of Education	33,475	
Administration	1,361,910	1,161
Fiscal	258,413	
Business	138,530	
Operation and Maintenance of Plant	1,382,791	139,044
Pupil Transportation	641,819	
Central	126,685	47,372
Non-Instructional Services	996	194,833
Extracurricular activities	312,648	122,930
Capital Outlay	13,564	169,147
Debt Service		
Debt Service - Principal		
Debt Service - Interest		
Total Expenditures	14,300,148	1,145,402
Excess of Revenues Over (Under) Expenditures	559,980	(551,152)
<b>Other Financing Sources and Uses</b>		
Operating Transfers In		5,227
Refund of Prior Year Expenditures	78,192	
Other Financing Sources		440,395
Operating Transfers Out	(69,082)	
Total Other Financing Sources (Uses)	9,110	445,622
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	569,090	(105,530)
Fund Balance at Beginning of Year	(456,473)	668,631
<b>Fund Balance at End of Year</b>	<b>\$112,617</b>	<b>\$563,101</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$22,742	\$45,147		\$3,341,594
			241,481
			204,784
			3,000
			99,938
		\$4,145	26,732
			1,264
301,318	601,065		12,493,239
			16,763
<u>324,060</u>	<u>646,212</u>	<u>4,145</u>	<u>16,428,795</u>
	2,146	1,545	7,351,486
	11,359	500	1,330,641
			173,740
			28,717
			1,205,182
			426,016
			33,475
			1,363,071
			258,413
			138,530
			1,521,835
			641,819
			174,057
			195,829
			435,578
	470,054		652,765
257,846	278,964		536,810
22,285	53,000		75,285
<u>280,131</u>	<u>815,523</u>	<u>2,045</u>	<u>16,543,249</u>
<u>43,929</u>	<u>(169,311)</u>	<u>2,100</u>	<u>(114,454)</u>
			5,227
			78,192
			440,395
			(69,082)
			<u>454,732</u>
43,929	(169,311)	2,100	340,278
157,797	804,383	36,636	1,210,974
<u>\$201,726</u>	<u>\$635,072</u>	<u>\$38,736</u>	<u>\$1,551,252</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Non-GAAP Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2000**

	<b>General</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Intergovernmental	\$2,981,103	\$2,791,333	(\$189,770)
Interest	241,481	241,481	
Tuition and Fees	205,698	204,494	(1,204)
Rent	2,700	5,700	3,000
Extracurricular Activities			
Gifts and Donations			
Customer Services		1,264	1,264
Property and Other Local Taxes	11,358,185	11,358,185	
Miscellaneous	4,000	5,874	1,874
Total Revenues	<u>14,793,167</u>	<u>14,608,331</u>	<u>(184,836)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	7,300,575	7,014,856	285,719
Special	1,154,040	1,091,741	62,299
Vocational	173,339	166,648	6,691
Adult/Continuing	23,500	18,974	4,526
Support services:			
Pupils	1,170,259	1,123,997	46,262
Instructional Staff	435,242	414,753	20,489
Board of Education	46,464	39,987	6,477
Administration	1,449,951	1,341,399	108,552
Fiscal	295,918	277,736	18,182
Business	152,583	144,247	8,336
Operation and Maintenance of Plant	1,585,841	1,508,864	76,977
Pupil Transportation	664,533	650,236	14,297
Central	148,355	139,351	9,004
Non-Instructional Services	1,472	1,447	25
Extracurricular activities	314,840	304,659	10,181
Capital Outlay	13,564	13,564	
Debt Service			
Debt Service - Principal			
Debt Service - Interest			
Total Expenditures	<u>14,930,476</u>	<u>14,252,459</u>	<u>678,017</u>
Excess of Revenues Over (Under) Expenditures	<u>(137,309)</u>	<u>355,872</u>	<u>493,181</u>
<b>Other Financing Sources and Uses</b>			
Operating Transfers In			
Refund of Prior Year Expenditures	13,643	81,548	67,905
Advances In	134,800	109,800	(25,000)
Other Financing Sources			
Operating Transfers Out	(69,082)	(69,082)	
Advances Out			
Total Other Financing Sources (Uses)	<u>79,361</u>	<u>122,266</u>	<u>42,905</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(57,948)</u>	<u>478,138</u>	<u>536,086</u>
Fund Balances at Beginning of Year	489,706	489,706	
Prior Year Encumbrances Appropriated	197,953	197,953	
<b>Fund Balance at end of Year</b>	<b><u>\$629,711</u></b>	<b><u>\$1,165,797</u></b>	<b><u>\$536,086</u></b>

Special Revenue			Debt Service		
Budget	Actual	Variance	Budget	Actual	Variance
\$620,930	\$568,014	(\$52,916)	\$22,742	\$22,742	
122,400	99,749	(22,651)			
17,350	22,587	5,237			
			291,051	291,051	
4,500	10,564	6,064			
<u>765,180</u>	<u>700,914</u>	<u>(64,266)</u>	<u>313,793</u>	<u>313,793</u>	
362,052	267,549	94,503			
173,705	142,592	31,113			
9,743	9,743				
94,482	58,243	36,239			
16,757	13,116	3,641			
1,245	1,134	111			
170,301	152,410	17,891			
79,207	52,143	27,064			
191,806	190,329	1,477			
172,789	133,768	39,021			
182,183	181,247	936			
			258,000	257,846	\$154
			22,285	22,285	
<u>1,454,270</u>	<u>1,202,274</u>	<u>251,996</u>	<u>280,285</u>	<u>280,131</u>	<u>154</u>
<u>(689,090)</u>	<u>(501,360)</u>	<u>187,730</u>	<u>33,508</u>	<u>33,662</u>	<u>154</u>
15,227	5,227	(10,000)			
5,000		(5,000)			
498,737	455,395	(43,342)			
<u>(109,800)</u>	<u>(109,800)</u>				
<u>409,164</u>	<u>350,821</u>	<u>(58,342)</u>			
(279,926)	(150,539)	129,388	33,508	33,662	154
652,439	659,945		148,091	148,091	
62,282	62,282				
<u><b>\$434,794</b></u>	<u><b>\$571,688</b></u>	<u><b>\$129,388</b></u>	<u><b>\$181,599</b></u>	<u><b>\$181,753</b></u>	<u><b>\$154</b></u>

(Continued)

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Non-GAAP Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2000  
(Continued)**

	<u>Capital Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Intergovernmental	\$45,147	\$45,147	
Interest			
Tuition and Fees			
Rent			
Extracurricular Activities			
Gifts and Donations			
Customer Services			
Property and Other Local Taxes	586,463	586,463	
Miscellaneous			
Total Revenues	<u>631,610</u>	<u>631,610</u>	
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	2,146	2,146	
Special	11,376	11,359	\$17
Vocational			
Adult/Continuing			
Support services:			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Business			
Operation and Maintenance of Plant	8,311		8,311
Pupil Transportation			
Central			
Non-Instructional Services			
Extracurricular activities			
Capital Outlay	1,012,394	558,735	453,659
Debt Service			
Debt Service - Principal	278,965	278,965	
Debt Service - Interest	60,000	53,000	7,000
Total Expenditures	<u>1,373,192</u>	<u>904,205</u>	<u>468,987</u>
Excess of Revenues Over (Under) Expenditures	<u>(741,582)</u>	<u>(272,595)</u>	<u>468,987</u>
<b>Other Financing Sources and Uses</b>			
Operating Transfers In			
Refund of Prior Year Expenditures			
Advances In			
Other Financing Sources			
Operating Transfers Out			
Advances Out			
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(741,582)	(272,595)	468,987
Fund Balances at Beginning of Year	786,360	786,360	
Prior Year Encumbrances Appropriated	15,359	15,359	
<b>Fund Balance at end of Year</b>	<b><u>\$60,137</u></b>	<b><u>\$529,124</u></b>	<b><u>\$468,987</u></b>

*The notes to the general-purpose financial statements are an integral part of this statement.*



<b>Expendable Trust</b>			<b>Totals (Memorandum Only)</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
			\$3,669,922	\$3,427,236	(\$242,686)
			241,481	241,481	
			205,698	204,494	(1,204)
			2,700	5,700	3,000
			122,400	99,749	(22,651)
\$6,845	\$4,145	(\$2,700)	24,195	26,732	2,537
				1,264	1,264
			12,235,699	12,235,699	
			8,500	16,438	7,938
<u>6,845</u>	<u>4,145</u>	<u>(2,700)</u>	<u>16,510,595</u>	<u>16,258,793</u>	<u>(251,802)</u>
4,365	1,545	2,820	7,669,138	7,286,096	383,042
500	500		1,339,621	1,246,192	93,429
			173,339	166,648	6,691
			33,243	28,717	4,526
			1,264,741	1,182,240	82,501
			451,999	427,869	24,130
			46,464	39,987	6,477
			1,451,196	1,342,533	108,663
			295,918	277,736	18,182
			152,583	144,247	8,336
			1,764,453	1,661,274	103,179
			664,533	650,236	41,361
			227,562	191,494	10,481
			193,278	191,776	39,046
			487,629	438,427	49,202
			1,208,141	753,546	454,595
			536,965	536,811	154
			82,285	75,285	7,000
<u>4,865</u>	<u>2,045</u>	<u>2,820</u>	<u>18,043,088</u>	<u>16,641,114</u>	<u>1,440,995</u>
<u>1,980</u>	<u>2,100</u>	<u>120</u>	<u>(1,532,493)</u>	<u>(382,321)</u>	<u>1,189,193</u>
			15,227	5,227	(10,000)
			13,643	81,548	67,905
			139,800	109,800	(30,000)
			498,737	455,395	(43,342)
			(69,082)	(69,082)	
			(109,800)	(109,800)	
			<u>598,325</u>	<u>582,887</u>	<u>(15,437)</u>
1,980	2,100	120	(934,168)	200,566	1,173,756
36,637	36,637		2,113,233	2,120,739	
			275,593	275,593	
<u><b>\$38,617</b></u>	<u><b>\$38,737</b></u>	<u><b>\$120</b></u>	<u><b>\$1,454,658</b></u>	<u><b>\$2,596,899</b></u>	<u><b>\$1,173,756</b></u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
All Proprietary Fund Types  
For the Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Operating Revenues:</b>			
Sales	\$305,595	\$26,336	\$331,931
<b>Operating Expenses:</b>			
Salaries	190,148		190,148
Fringe Benefits	53,704		53,704
Purchased Services	19,500	17,651	37,151
Materials and Supplies	194,333	11,916	206,249
Depreciation	13,668		13,668
Other	408		408
Total Operating Expenses	471,761	29,567	501,328
Operating Loss	(166,166)	(3,231)	(169,397)
<b>Non-Operating Revenues and Expenses:</b>			
Federal Donated Commodities	24,595		24,595
Federal and State Subsidies	77,450		77,450
Total Non-Operating Revenues and Expenses	102,045		102,045
Loss Before Operating Transfers	(64,121)	(3,231)	(67,352)
Operating Transfers-In	61,250	2,605	63,855
Net Loss	(2,871)	(626)	(3,497)
Retained Earnings at Beginning of Year	38,269	3,756	42,025
<b>Retained Earnings at End of Year</b>	<b>\$35,398</b>	<b>\$3,130</b>	<b>\$38,528</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Sales	\$305,670	\$25,911	\$331,581
Cash Payments to Suppliers for Goods and Service	(194,722)	(12,109)	(206,831)
Cash Payments for Contract Services	(19,322)	(17,651)	(36,973)
Cash Payments for Employee Services	(181,833)		(181,833)
Cash Payments for Employee Benefits	(50,968)		(50,968)
Other Cash Payments	(407)		(407)
Net Cash Used by Operating Activities	<u>(141,582)</u>	<u>(3,849)</u>	<u>(145,431)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating Grants Received	94,072		94,072
Transfers In	61,250	2,605	63,855
Net Cash Provided by Noncapital Financing Activities	<u>155,322</u>	<u>2,605</u>	<u>157,927</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Payments for Capital Acquisitions	(4,789)		(4,789)
Net Cash Used by Capital and Related Financing Activities	<u>(4,789)</u>		<u>(4,789)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,951	(1,244)	7,707
Cash and Cash Equivalents at Beginning of Year	25,237	3,949	29,186
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$34,188</u></b>	<b><u>\$2,705</u></b>	<b><u>\$36,893</u></b>

(Continued)

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended June 30, 2000  
(Continued)**

	<u>Proprietary Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>Enterprise</u>	<u>Internal Service</u>	
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities:</b>			
Operating Loss	(\$166,166)	(\$3,231)	(\$169,397)
<b>Adjustments to Reconcile Operating Income (Loss):</b>			
Depreciation	13,668		13,668
Donated Commodities Used During the Year	24,595		24,595
Adjustments to Capital Outlay	(25,948)		(25,948)
(Increase) Decrease in Assets:			
Accounts	75	(425)	(350)
Material and Supplies Inventory	2,310		2,310
Increase (Decrease) in Liabilities:			
Compensated Absences Payable	(81)		(81)
Intergovernmental Payable	5,999		5,999
Deferred Revenue	(1,695)		(1,695)
Accrued Wages and Benefits	5,133		5,133
Accounts Payable	528	(193)	335
<b>Net Cash Used by Operating Activities</b>	<b><u>(\$141,582)</u></b>	<b><u>(\$3,849)</u></b>	<b><u>(\$145,431)</u></b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Rossford Exempted Village School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in the 1920s through the consolidation of existing land areas and school districts. The School District serves an area of approximately 27 square miles. It is located in Wood County, and includes the City of Rossford and portions of the City of Northwood and portions of Perrysburg and Lake Townships. The School District is the 261st largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 95 non-certificated employees and 153 certificated full-time teaching personnel who provide services to 2,172 students and other community members. The School District currently operates five instructional buildings, one administrative building, and one garage.

**Reporting Entity:**

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Rossford Exempted Village School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes.

The following activities are included within the reporting entity:

*Parochial Schools* - Within the School District boundaries, All Saints Catholic elementary and junior high schools are operated through the Toledo Catholic Diocese. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with six organizations, which are defined as jointly governed organizations, insurance purchasing pools, and a related organization. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Educational Council, the Penta County Joint Vocational School District, the Ohio School Boards Association Worker's Compensation Group Rating Plan, the Wood County Schools Benefit Plan, and the Rossford Public Library. These organizations are presented in Notes 16, 17, and 18 to the general-purpose financial statements.

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

The financial statements of the Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The most significant of the School District's accounting policies are described below.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

***Governmental Fund Types:***

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

*Special Revenue Funds* - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

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

*Capital Projects Funds* - The 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).

***Proprietary Fund Types:***

Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector. The following are the School District's proprietary fund types:

*Enterprise Funds* - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

*Internal Service Funds* - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

***Fiduciary Fund Types:***

Fiduciary 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 governmental units, and/or other funds. The School District's fiduciary funds include expendable trust and agency funds.

***Account Groups:***

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

*General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

*General Long-Term Obligations Account Group* - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

**Tax Budget:**

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Wood County Budget Commission for rate determination.



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels 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 School 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, or alter total function appropriations within a fund, or alter object appropriations within functions, 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 other than agency funds, 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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal 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 fiscal 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.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**D. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2000 the investments were limited to repurchase agreements and STAR Ohio. All investments of the School District had a maturity of two years or less. Repurchase agreements are valued at cost. Investment earnings are allocated as authorized by State statute.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2000. STAR Ohio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$241,481, of which \$127,985 was assigned from other funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District is considered to be cash equivalent. Investments with an initial maturity of more than three months are reported as investments.

**E. Estimates**

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

**F. Interfund Receivables/Payables**

During the course of operations, short term advances occur between individual funds for operating expenditures until receipt of grants or other financing. These receivables and payables are classified as "Inter fund Receivable" or "due to other funds" on the balance sheet. Short-term inter fund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

**G. Inventory**

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2000 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**I. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District 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 includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for employees after 20 years of current service with the School District, or after 15 years of service and at least 45 years of age, or after 5 years of service and at least 50 years of age. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles require the reporting of the liability in the funds that received the proceeds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 20 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**M. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepaid items, property taxes, budget stabilization, advances, and debt service.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

**N. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. The School District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

*General Fund*  
State Foundation Program  
State Property Tax Relief  
School Bus Purchase Reimbursement

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY

Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)

**Non-Reimbursable Grants**

Special Revenue Funds

Venture Capital  
Auxiliary Services  
Education Management Information Systems  
Disadvantaged Pupil Impact Aid  
Title I  
Title VI  
Educational Television  
Community Education  
Teacher Development  
Gifted Education  
Data Communications for School Buildings  
School Net Professional Development  
Textbook/Instructional Materials Subsidy  
Ohio Reads Grant  
Eisenhower Grant  
Preschool Disability Grant  
Title VI-B  
Goals 2000 NSI Grant

Capital Projects Funds

School Net  
School Net Plus  
Technology Equity

**Reimbursable Grants**

General Fund

Driver Education

Proprietary Funds

National School Lunch Program  
National School Breakfast Program  
Government Donated Commodities

**O. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**P. Statement of Cash Flows**

In September 1989, the Governmental Accounting Standards Board (GASB) issued Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." The School District has presented a statement of cash flows for its Enterprise and Internal Service Funds.

**Q. Financial Reporting for Proprietary Fund Type**

The School District's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." This Statement is effective for financial statements beginning after December 15, 1993. The School District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**R. Total Columns on General-Purpose Financial Statements**

Total columns on the general-purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - ACCOUNTABILITY**

At June 30, 2000, the Auxiliary Services, Title I and Miscellaneous Federal Grant funds had a deficit fund balances of \$21,496, \$1,903, and \$2,132, respectively, which were created by 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.

**NOTE 4 - INTERFUND RECEIVABLE/INTERFUND PAYABLE**

Interfund balances at June 30, 2000; consist of the following individual fund receivables and payables:

Fund	Receivable	Payable
General	\$21,600	
Special Revenue		\$2,600
Enterprise		19,000
Total	\$21,600	\$21,600

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

*Inactive deposits* are public deposits that the Board of Education has identified as not required for use within the current two 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.

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

Investments in stripped principal or interest obligations, reverse purchase 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 School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand:** At fiscal year end, the School District had \$1,100 in cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits:** At fiscal year end, the carrying amount of the School District's deposits was \$27,152 and the bank balance was \$240,847. Of the bank balance was \$101,078 covered by federal depository insurance and \$139,769 was covered by pooled collateral. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments:** The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments, which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Reported Amount	Fair Value
Repurchase Agreement	\$357,411	\$357,411	\$357,411
STAR Ohio		2,556,680	2,556,680
<b>Totals</b>	<b>\$357,411</b>	<b>\$2,914,091</b>	<b>\$2,914,091</b>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Governmental Entities That Use Proprietary Fund Accounting."



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	
GASB Statement 9	\$2,942,344		
Investments of the Cash Management Pool:			
Repurchase Agreement	(357,412)	\$357,411	
STAR Ohio	(2,556,680)	2,556,680	
Cash on Hand	(1,100)		
GASB Statement 3	<u>\$27,152</u>	<u>\$2,914,091</u>	

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$684,044 in the General Fund, \$19,974 in the Bond Retirement Debt Service Fund, and \$38,869 in the Capital Projects Fund.

The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second-half Collections		2000 First-half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$181,290,590	62%	\$181,290,590	62%
Public Utility	17,009,810	6%	17,009,810	6%
Tangible Personal Property	<u>94,066,887</u>	<u>32%</u>	<u>94,066,887</u>	<u>32%</u>
Total Assessed Value	<u>\$292,367,287</u>	<u>100%</u>	<u>\$292,367,287</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$47.50		\$47.50	

**NOTE 7 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental and Similar Fiduciary Fund Types

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Budget Basis	\$478,138	(\$150,539)	\$33,662	(\$272,595)	\$2,100
Adjustments for:					
Revenue Accruals	251,797	(106,663)	10,627	14,602	
Expenditure Accruals	(286,412)	10,827		14,160	
Other Sources/Uses	(113,156)	94,800			
Encumbrances	238,723	46,045		74,522	
GAAP Basis	<u>\$569,090</u>	<u>(\$105,530)</u>	<u>\$43,929</u>	<u>(\$169,311)</u>	<u>\$2,100</u>

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
General Fund	
Taxes	\$11,383,137
Accounts	10,926
Intergovernmental	21,851
Special Revenue Funds	
Accounts	389
Debt Service Fund	
Taxes	269,179
Capital Projects Fund	
Taxes	585,393
Accounts	2,620
Internal Service Fund	
Accounts	425
Trust and Agency Fund	
Accounts	<u>250</u>
Total Receivables	<u>\$12,274,170</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**NOTE 9 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$342,691
Less: Accumulated Depreciation	<u>(266,762)</u>
Net Fixed Assets	<u><u>\$75,929</u></u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 6/30/99	Additions	Deletions	Balance at 6/30/00
Land and Improvements	\$992,638	\$66,979		\$1,059,617
Buildings and Improvements	8,173,046	107,979		8,281,025
Furniture and Equipment	2,370,696	618,057		2,988,753
Vehicles	1,167,291			1,167,291
<b>Totals</b>	<u><u>\$12,703,671</u></u>	<u><u>\$793,015</u></u>		<u><u>\$13,496,686</u></u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Balance at 07/01/99	Additions	Deductions	Balance at 06/30/00
School Improvement Bonds	\$530,000		\$255,000	\$275,000
Permanent Improvement Bond	\$1,460,000		270,000	1,190,000
Intergovernmental Payable	115,596	\$2,326		117,922
Compensated Absences	1,120,181		116,558	1,003,623
<b>Total Long-Term Obligations</b>	<u><u>\$3,225,777</u></u>	<u><u>\$2,326</u></u>	<u><u>\$641,558</u></u>	<u><u>\$2,586,545</u></u>

**School Improvement General Obligation Bonds** - On December 1, 1992, the Rossford Exempted Village School District issued \$1,800,000 in voted general obligation bonds for school improvements. The bonds were issued for an eight year period with final maturity at December 1, 2000. The bonds will be retired from the capital project fund.

**School Improvement Tax Anticipation Notes** - On January 7, 1999, The Rossford Exempted Village School district issued \$1,460,000 in voted general obligation notes for the purpose of renovating, rehabilitation, adding to, acquiring, furnishing, equipping and otherwise improving school facilities and sites. The notes will be retired from the debt service fund

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

The School District's voted legal debt margin was \$25,123,056 with an unvoted debt margin of \$292,367 at June 30, 2000.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2000, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2001	555,000	49,700	604,700
2002	290,000	30,600	320,600
2003	305,000	18,700	323,700
2004	315,000	6,300	321,300
Total	<u>\$1,465,000</u>	<u>\$105,300</u>	<u>\$1,570,300</u>

**NOTE 11- RISK MANAGEMENT**

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured.

Settled claims have not exceeded this commercial coverage in any of the past three years.

**OSBA Workers' Compensation Group Rating**

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were, \$1,007,722, \$961,496 and \$955,152 respectively; 83 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$172,952 representing unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**B. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2000, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$307,446, \$310,840, and \$262,052, respectively, 49 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$157,866 representing unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium.

The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently at 14 percent of covered payroll.

The Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8 percent of covered payroll to Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion on June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8 percent of covered payroll.

For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 1999, the allocation rate is 6.30 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the Retirement System's net assets available for payment of health care benefits were \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

The portion of your employer contributions that were used to fund postemployment benefits can be determined by multiplying actual employer contributions times .450, then adding the surcharge due as of June 30, 2000, as certified to your district by SERS.

**NOTE 14 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 272 days for classified employees and 284 days for certificated employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 68 days for classified employees and 71 days for certificated employees.

**NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Rossford Exempted Village School District as of and for the fiscal year ended June 30, 2000.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$278,372	\$27,223	\$305,595
Depreciation Expense	13,668		13,668
Operating Income (Loss)	(174,780)	8,614	(166,166)
Donated Commodities	24,595		24,595
Grants	77,450		77,450
Operating Transfers - In	61,250		61,250
Net Income (Loss)	(11,485)	8,614	(2,871)
Net Working Capital	(74,179)	36,352	(40,531)
Total Assets	80,778	36,702	117,480
Total Liabilities	81,732	350	82,082
Total Equity	(954)	36,352	35,398

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**Northwest Ohio Computer Association**

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams 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 member school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Financial information can be obtained from Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**Northern Buckeye Education Council**

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Total disbursements made by the District to NBEC for GAAP conversion services during this fiscal year were \$3,250. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**Penta County Joint Vocational School District**

The Penta County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the sixteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Penta County Joint Vocational School District, Carrie J. Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551.



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

**NOTE 17 - INSURANCE PURCHASING POOL**

**Ohio School Boards Association Workers' Compensation Group Rating Plan**

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSA. The Executive Director of the OSA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP, Rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Wood County Schools Benefit Plan**

The School District participates in the Wood County Schools Benefit Plan, a public entity risk pool currently operating as a common risk management and insurance program for 10 member school districts. The School District pays an annual premium to Wood County Schools Benefit Plan, for its health, dental and life insurance coverage. It is intended that the Wood County Schools Benefit Plan will be self-sustaining through member premiums and reinsures through commercial companies for excess claims.

**NOTE 18 - RELATED ORGANIZATION**

**Rossford Public Library**

The Rossford Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Rossford Exempted Village School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Rossford Public Library, 720 Dixie Highway Road, Rossford, Ohio 43460.

**NOTE 19 - CONTINGENCIES**

**Grants:**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

**Litigation:**

The School District management and legal counsel have indicated that district is not a party to any legal proceedings.

**NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School 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 School District is also required to set aside money for budget stabilization.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999			\$188,452	
Current Year Set-aside Requirement	\$351,278	\$351,278	117,093	
Current Year Offsets				
Qualifying Disbursements	<u>(384,084)</u>	<u>(816,178)</u>		
Total	<u>(\$32,806)</u>	<u>(\$464,900)</u>	<u>\$305,545</u>	
Cash Balance Carried Forward to FY 2001			<u>\$305,545</u>	
Amount restricted for Budget Stabilization				<u>\$305,545</u>
Total Restricted Assets				<u>\$305,545</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

**NOTE 21 -STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,971,810 of school foundation support for its general fund.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2000  
(Continued)**

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "the mandate of the Ohio Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven, "major areas warrant further attention, study, and development by the General Assembly," including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**NOTE 22 - PRIOR PERIOD ADJUSTMENT AND FUND RECLASSIFICATION**

The District reclassified the School Net Plus fund from a Special Revenue fund to a Capital Project fund for fiscal year 2000. The resulting changes to the Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses and the Fund Balance are shown below:

Combined Statement of Revenues, Expenditures and Changes in Fund Balances:	Special Revenue Fund Type	Capital Projects Fund Type
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other financing Uses June 30, 1999	\$302,336	\$769,970
Adjustment of School Net Plus Fund	(13,521)	13,521
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other financing Uses July 1, 1999 (Restated)	<u>\$288,815</u>	<u>\$783,491</u>
Fund Balance - June 30, 1999	\$682,152	\$790,862
Adjustment of School Net Fund	(13,521)	13,521
Fund Balance- July 1, 1999 (Restated)	<u>\$668,631</u>	<u>\$804,383</u>

**This page intentionally left blank.**

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2000**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Grant Number	Receipts	Non-Cash Receipts	Disburse- ment	Non-Cash Disburse- ment
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Passed through the Ohio Department of Education</i>						
<i>Child Nutrition Cluster:</i>						
Food Distribution	10.550			\$16,471		\$24,595
National School Breakfast	10.553	05-PU-99	\$1,481		\$1,481	
		05-PU-00	5,054		5,054	
Total - National School Breakfast			6,535		6,535	
National School Lunch	10.555	03-PU-99	4,188		4,188	
		03-PU-00	11,261		11,261	
		04-PU-99	18,200		18,200	
		04-PU-00	47,324		47,324	
Total - National School Lunch			80,973		80,973	
Total Department of Agriculture - Child Nutrition Cluster			87,508	16,471	87,508	24,595
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Passed through the Ohio Department of Education</i>						
<i>Special Education:</i>						
Class Size Reduction	84.027	CR-S1-00	32,040		23,367	
Title I	84.010	C1-S1-99	77,950		31,815	
		C1-S1-00	97,429		83,937	
Total - Title I			175,379		115,752	
OWA Federal Reimbursement Grant	xx.xxx		1,173		1,173	
Goals 2000	84.276	G2-S2-98	148,409		174,856	
Innovative Educational Program Strategy	84.298	C2-S1-99	1,526		7,092	
		C2-S1-00	11,405		7,522	
Total - Innovative Educational Program Strategy			12,931		14,614	
Eisenhower, ISAS Title II	84.281	MS-S1-00	7,454		3,960	
Total Department of Education			377,386		333,722	
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$464,894</b>	<b>\$16,471</b>	<b>\$421,230</b>	<b>\$24,595</b>

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

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**Notes to the Schedule of Federal Awards Expenditures  
Fiscal Year Ended June 30, 2000**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

**NOTE C - MATCHING REQUIREMENTS**

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



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Rossford Exempted Village School District  
Wood County  
601 Superior Street  
Rossford, Ohio 43460-1247

To the Board of Education:

We have audited the financial statements of Rossford Exempted Village School District (the District) as of and for the year ended June 30, 2000 in which we indicated that the District reclassified a certain fund, and have issued our report thereon dated March 6, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated March 6, 2001.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item *2000-10187-001*.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness. We also noted other matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 6, 2001.

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

**Jim Petro**  
Auditor of State

March 6, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Rossford Exempted Village School District  
Wood County  
601 Superior Street  
Rossford, Ohio 43460-1247

To the Board of Education:

**Compliance**

We have audited the compliance of Rossford Exempted Village School District (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 are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Rossford Exempted Village School District  
Wood County  
Report of Independent Accountants on Compliance with Requirements  
Applicable to the Major Federal Program and Internal Control Over  
Compliance in Accordance with OMB Circular A-133  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

**Jim Petro**  
Auditor of State

March 6, 2001

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2000**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title 1      CFDA #84.010 Goals 2000   CFDA #84.276
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: > \$ 100,000
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2000-10187-001**

**Material Weakness - Fixed Assets**

The following control weaknesses over fixed assets exist:

1. The District has not maintained a fixed asset accounting system which provides a listing of total fixed assets, by location, with tag identification numbers and other supplemental information since their last appraisal for fiscal year 1997.

**FINDING NUMBER 2000-10187-001  
(Continued)**

2. The District has not developed and implemented procedures to assist in recording assets as additions when purchased, and deletions when disposed of throughout the fiscal year.
3. The District has not implemented procedures to perform periodic inventory of assets.

Failure to obtain timely records or employ adequate controls over the acquisition and disposal of fixed assets could result in misappropriation of assets and misstatements of recorded assets.

To maintain adequate safeguards over fixed assets, and to reduce the risk that the District's assets will be misstated, we recommend:

1. The Board develop and implement procedures to be performed throughout the year, for the recording and updating of fixed assets. These procedures should include tagging all assets meeting the District's capitalization criteria. Further, addition and disposal forms should be completed by the District and approved by management when assets are acquired or disposed. This information should then be entered on the fixed asset accounting system, recording such information as the tag number, a description of the item, the cost, the acquisition date, location and any other supporting documentation.
2. The District develop and implement procedures for performing periodic (annual) physical inventories. The physical inventories can be performed by submitting a list of all fixed assets recorded to each location and having individuals responsible for that location perform the inventory of all assets in that location. The assets in each location should be compared to the listing provided, and any assets no longer used should be investigated as to cause (disposal, spoilage, etc.) And deleted and any assets not included on the listing should be added.
3. Any significant deficiencies should be investigated.

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

None.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

**WOOD 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 27, 2001**