

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY**

**AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

***James G. Zupka, CPA, Inc.***  
**Certified Public Accountants**





# Dave Yost • Auditor of State

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

We have reviewed the *Independent Auditor's Report* of the Plymouth-Shiloh Local School District, Richland County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Plymouth-Shiloh Local School District is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

January 19, 2011

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**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Plymouth-Shiloh Local School District  
Plymouth, Ohio

The Honorable Mary Taylor  
Auditor of State  
State of Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Plymouth-Shiloh Local School District, Richland County, Ohio, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Plymouth-Shiloh Local School District, Ohio's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Plymouth-Shiloh Local School District, Ohio, as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010, on our consideration of the Plymouth-Shiloh Local School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plymouth-Shiloh Local School District, Ohio's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 3, 2010

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

The management's discussion and analysis of Plymouth-Shiloh Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets increased \$339,546. Net assets of governmental activities increased \$329,604, which represents a 1.53% increase from 2009. Net assets of business-type activities increased \$9,942 or 24.77% from 2009.
- General governmental revenues accounted for \$7,590,658 in revenue or 77.10% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,253,958 or 22.90% of total revenues of \$9,844,616.
- The District had \$10,314,787 in expenses related to governmental activities; only \$2,253,958 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$7,590,658 were not adequate to provide for these programs.
- The District's major governmental funds are the general fund and classroom facilities fund. The general fund had \$7,681,582 in revenues, \$7,846,532 in expenditures and other financing uses and \$799,775 in extraordinary items. The general fund's fund balance increased \$634,825 from \$1,514,257 to \$2,149,082.
- The classroom facilities fund had \$4,008 in revenues and \$219,102 in expenditures. The classroom facilities fund's fund balance decreased \$215,094 from \$798,663 to \$583,569.
- Net assets for the District's enterprise fund increased \$9,942. The special enterprises fund had \$15,765 in revenues and \$5,823 in expenses.

**Using the Basic Financial Statements**

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

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**Reporting the District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's special enterprises operations are reported as business activities.

The District's statement of net assets and statement of activities can be found on pages 15-17 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental funds and the analysis of the District's nonmajor enterprise fund begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and classroom facilities fund.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 18-22 of this report.

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement of fiduciary net assets on page 26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-57 of this report.

**The District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

The table below provides a summary of the District's net assets at June 30, 2010 and June 30, 2009.

	<b>Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>						
Current assets	\$ 7,070,972	\$ 7,314,424	\$ 52,985	\$ 40,131	\$ 7,123,957	\$ 7,354,555
Capital assets, net	<u>20,051,876</u>	<u>20,459,618</u>	<u>-</u>	<u>-</u>	<u>20,051,876</u>	<u>20,459,618</u>
Total assets	<u>27,122,848</u>	<u>27,774,042</u>	<u>52,985</u>	<u>40,131</u>	<u>27,175,833</u>	<u>27,814,173</u>
<b><u>Liabilities</u></b>						
Current liabilities	2,720,588	3,599,465	2,912	-	2,723,500	3,599,465
Long-term liabilities	<u>2,542,995</u>	<u>2,644,916</u>	<u>-</u>	<u>-</u>	<u>2,542,995</u>	<u>2,644,916</u>
Total liabilities	<u>5,263,583</u>	<u>6,244,381</u>	<u>2,912</u>	<u>-</u>	<u>5,266,495</u>	<u>6,244,381</u>
<b><u>Net Assets</u></b>						
Invested in capital assets, net of debt	18,314,144	18,616,714	-	-	18,314,144	18,616,714
Restricted	1,463,212	1,420,394	-	-	1,463,212	1,420,394
Unrestricted	<u>2,081,909</u>	<u>1,492,553</u>	<u>50,073</u>	<u>40,131</u>	<u>2,131,982</u>	<u>1,532,684</u>
Total net assets	<u>\$ 21,859,265</u>	<u>\$ 21,529,661</u>	<u>\$ 50,073</u>	<u>\$ 40,131</u>	<u>\$ 21,909,338</u>	<u>\$ 21,569,792</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$21,909,338, \$21,859,265 of this total is in governmental activities and \$50,073 is in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the District's net assets. At year-end, capital assets represented 73.79% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2010, were \$18,314,144 in the governmental activities. These capital assets are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of June 30, 2010, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

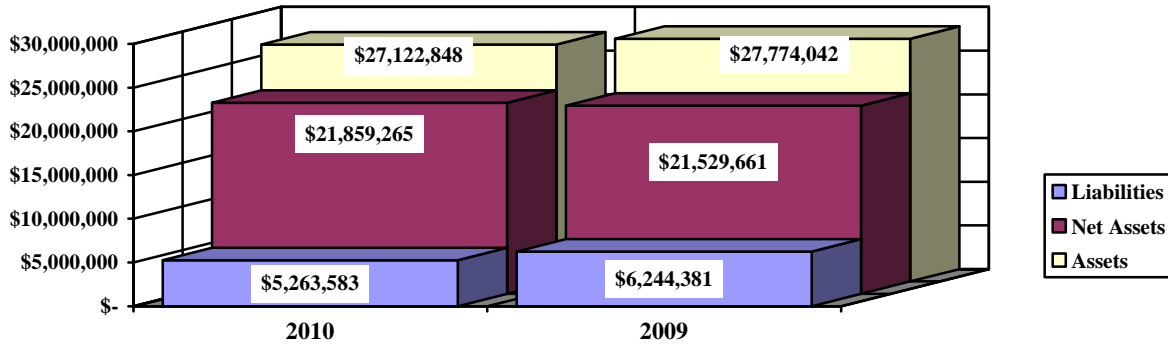
A portion of the District's net assets, \$1,463,212, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,081,909 may be used to meet the District's ongoing obligations to the students and creditors.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

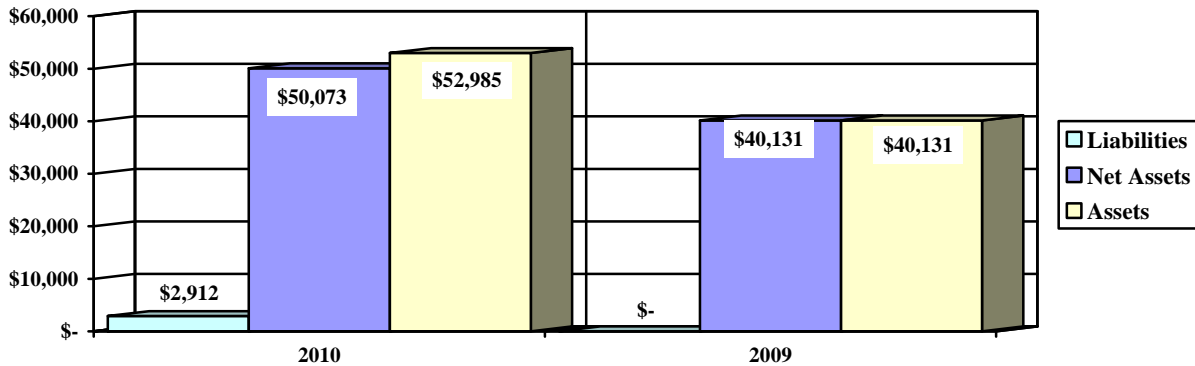
This table below provides a summary of the District's governmental net assets June 30, 2010 and June 30, 2009.

**Governmental - Net Assets**



This table below provides a summary of the District's business-type net assets June 30, 2010 and June 30, 2009.

**Business-Type - Net Assets**



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

The table below shows the change in net assets for governmental activities and business-type activities fiscal year 2010 and 2009.

	<b>Change in Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services and sales	\$ 686,049	\$ 669,018	\$ -	\$ -	\$ 686,049	\$ 669,018
Operating grants and contributions	1,567,909	1,412,309	15,765	2,623	1,583,674	1,414,932
Capital grants and contributions	-	311,046	-	-	-	311,046
General revenues:						
Property taxes	1,742,856	1,576,484	-	-	1,742,856	1,576,484
Income taxes	688,721	732,810	-	-	688,721	732,810
Grants and entitlements	5,114,690	4,952,260	-	-	5,114,690	4,952,260
Investment earnings	11,280	78,345	-	-	11,280	78,345
Other	<u>33,111</u>	<u>31,880</u>	<u>-</u>	<u>-</u>	<u>33,111</u>	<u>31,880</u>
Total revenues	<u>9,844,616</u>	<u>9,764,152</u>	<u>15,765</u>	<u>2,623</u>	<u>9,860,381</u>	<u>9,766,775</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

	<b>Change in Net Assets</b>					
	Governmental Activities		Business-Type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b><u>Expenses</u></b>						
Program expenses:						
Instruction:						
Regular	3,771,623	3,643,986	-	-	3,771,623	3,643,986
Special	987,847	983,468	-	-	987,847	983,468
Vocational	232,965	209,943	-	-	232,965	209,943
Other	530,962	441,008	-	-	530,962	441,008
Support services:						
Pupil	456,602	437,253	-	-	456,602	437,253
Instructional staff	558,980	422,959	-	-	558,980	422,959
Board of Education	21,170	20,262	-	-	21,170	20,262
Administration	756,021	763,756	-	-	756,021	763,756
Fiscal	242,663	1,046,022	-	-	242,663	1,046,022
Business	9,507	4,503	-	-	9,507	4,503
Operations and maintenance	1,124,358	1,316,300	-	-	1,124,358	1,316,300
Pupil transportation	502,478	504,811	-	-	502,478	504,811
Central	62,897	58,736	-	-	62,897	58,736
Food service	530,407	518,491	-	-	530,407	518,491
Extracurricular activities	398,296	363,273	-	-	398,296	363,273
Interest and fiscal charges	128,011	125,940	-	-	128,011	125,940
Special enterprises	-	-	5,823	14,998	5,823	14,998
Total expenses	<u>10,314,787</u>	<u>10,860,711</u>	<u>5,823</u>	<u>14,998</u>	<u>10,320,610</u>	<u>10,875,709</u>
Extraordinary item	<u>799,775</u>	-	-	-	<u>799,775</u>	-
Changes in net assets	329,604	(1,096,559)	9,942	(12,375)	339,546	(1,108,934)
Net assets beginning of year	<u>21,529,661</u>	<u>22,626,220</u>	<u>40,131</u>	<u>52,506</u>	<u>21,569,792</u>	<u>22,678,726</u>
Net assets at end of year	<u>\$ 21,859,265</u>	<u>\$ 21,529,661</u>	<u>\$ 50,073</u>	<u>\$ 40,131</u>	<u>\$ 21,909,338</u>	<u>\$ 21,569,792</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$329,604. Total governmental expenses of \$10,314,787 were offset by program revenues of \$2,253,958, general revenues of \$7,590,658 and extraordinary items of \$799,775. Program revenues supported 21.85% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 76.65% of total governmental revenues. Real estate property is reappraised every six years.

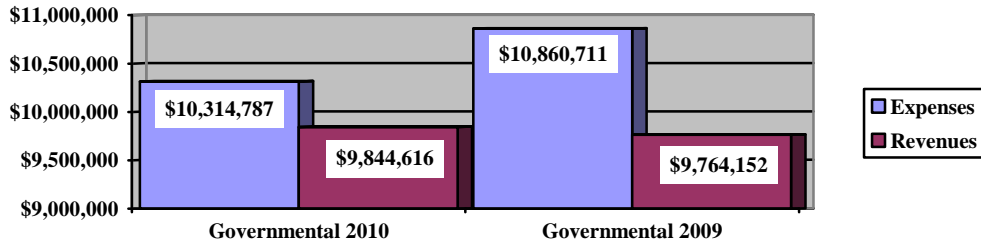
The largest expense of the District is for instructional programs. Instruction expenses totaled \$5,523,397 or 53.55% of total governmental expenses for fiscal year 2010.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2010 and 2009. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

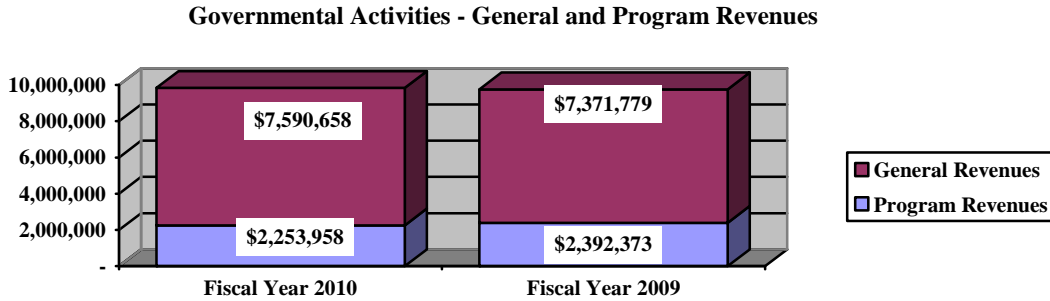
	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
Program expenses:				
Instruction:				
Regular	\$ 3,771,623	\$ 2,725,927	\$ 3,643,986	\$ 2,823,074
Special	987,847	859,816	983,468	545,281
Vocational	232,965	173,808	209,943	151,552
Other	530,962	516,772	441,008	441,008
Support services:				
Pupil	456,602	413,318	437,253	406,039
Instructional staff	558,980	348,765	422,959	265,845
Board of Education	21,170	21,170	20,262	20,262
Administration	756,021	719,645	763,756	755,786
Fiscal	242,663	242,428	1,046,022	1,046,022
Business	9,507	6,259	4,503	4,503
Operations and maintenance	1,124,358	1,090,757	1,316,300	1,316,038
Pupil transportation	502,478	423,815	504,811	482,611
Central	62,897	(88)	58,736	46,736
Food service	530,407	97,569	518,491	74,639
Extracurricular activities	398,296	292,857	363,273	(36,998)
Interest and fiscal charges	128,011	128,011	125,940	125,940
<b>Total expenses</b>	<u>\$ 10,314,787</u>	<u>\$ 8,060,829</u>	<u>\$ 10,860,711</u>	<u>\$ 8,468,338</u>

The dependence upon tax revenues and unrestricted grants and entitlements during fiscal year 2010 for governmental activities is apparent, as 77.42% of 2010 instruction activities are supported through taxes and other general revenues. General revenue support for all governmental activities was 78.15% in 2010.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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



**Business-Type Activities**

Business-type activities include the nonmajor special enterprises operation. This program had operating revenues of \$15,765 and operating expenses of \$5,823 for fiscal year 2010. The District's business activities receive no support from tax revenues.

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$3,406,417, which is greater than last year's total of \$3,019,202. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and 2009.

	Fund Balance <u>June 30, 2010</u>	Fund Balance <u>June 30, 2009</u>	Increase <u>(Decrease)</u>
General	\$ 2,149,082	\$ 1,514,257	\$ 634,825
Classroom Facilities	583,569	798,663	(215,094)
Other Governmental	<u>673,766</u>	<u>706,282</u>	<u>(32,516)</u>
Total	<u>\$ 3,406,417</u>	<u>\$ 3,019,202</u>	<u>\$ 387,215</u>

**General Fund**

The District's general fund balance increased \$634,825. The decrease of 4.88% in tax revenue is due to the statewide phase out of tangible personal property taxes. Tuition revenues increased 12.94%. This increase is the result of more students enrolled in the District through open enrollment. Earnings on investments decreased 86.29% due to lower interest rates earned on investments. Support services expenditures decreased 18.82% which can be attributed to the District's tight control on wages and benefits. The increase in facilities acquisition and construction is due to capital assets bought by the District during the fiscal year.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

The table that follows assists in illustrating the financial activities of the general fund.

	<u>2010</u> <u>Amount</u>	<u>2009</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,070,873	\$ 2,177,200	(4.88) %
Tuition	398,339	352,712	12.94 %
Interest earnings	7,272	53,030	(86.29) %
Intergovernmental	5,167,275	5,346,274	(3.35) %
Other revenues	<u>37,823</u>	<u>32,690</u>	15.70 %
 Total	 <u>\$ 7,681,582</u>	 <u>\$ 7,961,906</u>	 (3.52) %
 <b><u>Expenditures</u></b>			
Instruction	\$ 4,288,604	\$ 4,541,943	(5.58) %
Support services	3,104,479	3,824,339	(18.82) %
Extracurricular activities	240,770	229,688	4.82 %
Facilities acquisition and construction	43,190	683	6,223.57 %
Debt service	<u>71,489</u>	<u>93,442</u>	(23.49) %
 Total	 <u>\$ 7,748,532</u>	 <u>\$ 8,690,095</u>	 (10.83) %

***Classroom Facilities Fund***

The classroom facilities fund had \$4,008 in revenues and \$219,102 in expenditures. The classroom facilities fund's fund balance decreased \$215,094 from \$798,663 to \$583,569. The decrease in fund balance was due to construction expenditures related to District building projects and capital acquisition.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2010, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$7,445,850, below original budgeted revenues estimates of \$7,637,500. Actual revenues and other financing sources for fiscal year 2010 was \$7,824,929. This represents a \$379,079 increase over final budgeted revenues.

General fund original budgeted expenditures and other financing uses were \$8,646,052 and final budgeted expenditures and other financing uses were \$8,332,409. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$8,080,795, which was \$251,614 less than the final budget appropriations.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2010, the District had \$20,051,876 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This total amount was reported in governmental activities. The following table shows June 30, 2010 balances compared to June 30, 2009:

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

	Governmental Activities	
	2010	(Restated) 2009
Land	\$ 920,356	\$ 920,356
Construction in progress	52,523	-
Land improvements	207,644	235,404
Building and improvements	18,092,530	18,415,832
Furniture and equipment	674,596	760,322
Vehicles	104,227	127,704
Total	\$20,051,876	\$20,459,618

The overall decrease in capital assets of \$407,742 is due to depreciation expense of \$642,123 and disposals of \$87,323 (net of accumulated depreciation) exceeding capital outlays of \$321,704 in the fiscal year.

See Note 9 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2010 the District had \$1,283,898 in general obligation bonds, \$725,000 in lease-purchase agreements and \$58,077 in capital leases outstanding. Of this total, \$121,403 is due within one year and \$1,945,572 is due in greater than one year. The following table summarizes the bonds and leases outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities 2010	Governmental Activities 2009
General obligation bonds	\$ 1,283,898	\$ 1,332,729
Lease-purchase agreement	725,000	741,000
Capital lease	58,077	75,586
Total	\$ 2,066,975	\$ 2,149,315

At June 30, 2010 the District's overall legal debt margin was \$5,556,950 with an unvoted debt margin of \$72,890. See Note 12 to the basic financial statements for additional information on the District's debt administration.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**Current Financial Related Activities**

The District has carefully managed its general fund budget in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed from the community's citizens. Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a healthy cash balance while continuing to utilize the same levy dollars originally passed in 1992.

The District is committed to living within its financial means, while continuing to maintain the highest standards of service to our students, parents and community. However, the future financial stability of the District is not without challenges.

Declining enrollment over the past years is a trend that has received, and will continue to receive, the attention of the Board and Administration. Reduced student counts lead to staffing cuts, excess building capacity, and less state funding. Each of these factors negatively impacts the operations of the District.

The District will have the resources necessary to meet operating expenses in fiscal year 2011 and has renewed their 4.8 mil emergency levy renewal in order to provide financial stability over the next five years.

The District has anticipated no growth in State revenue and possible cuts. The concern is that, to meet the requirements of the court, the State may not have adequate resources to provide the financial needs of the District. As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative that the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the student's desired needs over the next several years.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mrs. Brenda Schwamberger, Treasurer, Plymouth-Shiloh Local School District, 365 Sandusky Street, Plymouth, Ohio 44865.

**BASIC  
FINANCIAL STATEMENTS**

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 3,941,848	\$ 52,985	\$ 3,994,833
Cash with escrow agent. . . . .	324,179	-	324,179
Receivables:			
Property taxes . . . . .	2,430,911	-	2,430,911
Income taxes. . . . .	238,670	-	238,670
Intergovernmental . . . . .	62,712	-	62,712
Accrued interest . . . . .	347	-	347
Prepayments . . . . .	17,352	-	17,352
Materials and supplies inventory. . . . .	34,300	-	34,300
Unamortized bond issue costs . . . . .	20,653	-	20,653
Capital assets:			
Land and construction in progress . . . . .	972,879	-	972,879
Depreciable capital assets, net. . . . .	19,078,997	-	19,078,997
Capital assets, net. . . . .	<u>20,051,876</u>	<u>-</u>	<u>20,051,876</u>
Total assets. . . . .	<u>27,122,848</u>	<u>52,985</u>	<u>27,175,833</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	41,545	2,912	44,457
Contracts payable. . . . .	82,798	-	82,798
Retainage payable . . . . .	12,498	-	12,498
Claims payable. . . . .	5,881	-	5,881
Accrued wages and benefits . . . . .	813,780	-	813,780
Accrued interest payable . . . . .	6,411	-	6,411
Pension obligation payable. . . . .	198,413	-	198,413
Unearned revenue . . . . .	1,499,225	-	1,499,225
Intergovernmental payable . . . . .	60,037	-	60,037
Long-term liabilities:			
Due within one year. . . . .	213,297	-	213,297
Due in more than one year . . . . .	2,329,698	-	2,329,698
Total liabilities . . . . .	<u>5,263,583</u>	<u>2,912</u>	<u>5,266,495</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt. . . . .	18,314,144	-	18,314,144
Restricted for:			
Capital projects . . . . .	686,443	-	686,443
Debt service. . . . .	274,791	-	274,791
Classroom facilities maintenance . . . . .	204,201	-	204,201
Locally funded programs . . . . .	234	-	234
Federally funded programs . . . . .	684	-	684
Student activities . . . . .	73,068	-	73,068
Other purposes . . . . .	223,791	-	223,791
Unrestricted . . . . .	<u>2,081,909</u>	<u>50,073</u>	<u>2,131,982</u>
Total net assets . . . . .	<u>\$ 21,859,265</u>	<u>\$ 50,073</u>	<u>\$ 21,909,338</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
<b>Governmental activities:</b>			
Instruction:			
Regular . . . . .	\$ 3,771,623	\$ 393,032	\$ 652,664
Special . . . . .	987,847	24,730	103,301
Vocational . . . . .	232,965	388	58,769
Other . . . . .	530,962	-	14,190
Support services:			
Pupil . . . . .	456,602	-	43,284
Instructional staff . . . . .	558,980	-	210,215
Board of education . . . . .	21,170	-	-
Administration . . . . .	756,021	1,439	34,937
Fiscal . . . . .	242,663	-	235
Business . . . . .	9,507	-	3,248
Operations and maintenance . . . . .	1,124,358	125	33,476
Pupil transportation . . . . .	502,478	-	78,663
Central . . . . .	62,897	-	62,985
Operation of non-instructional services:			
Food service operations . . . . .	530,407	164,478	268,360
Extracurricular activities . . . . .	398,296	101,857	3,582
Interest and fiscal charges . . . . .	128,011	-	-
Total governmental activities . . . . .	<u>10,314,787</u>	<u>686,049</u>	<u>1,567,909</u>
<b>Business-type activities:</b>			
Special enterprise . . . . .	5,823	-	15,765
Total business-type activities . . . . .	<u>5,823</u>	<u>-</u>	<u>15,765</u>
Totals . . . . .	<u>\$ 10,320,610</u>	<u>\$ 686,049</u>	<u>\$ 1,583,674</u>

**General Revenues:**

Property taxes levied for:
General purposes . . . . .
Special revenue . . . . .
Debt service . . . . .
School district income tax . . . . .
Grants and entitlements not restricted to specific programs . . . . .
Investment earnings . . . . .
Miscellaneous . . . . .
Total general revenues . . . . .
Extraordinary item . . . . .
Total general revenues and extraordinary item . . . . .
Change in net assets . . . . .
<b>Net assets at beginning of year . . . . .</b>
<b>Net assets at end of year . . . . .</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,725,927)	\$ -	\$ (2,725,927)
(859,816)	-	(859,816)
(173,808)	-	(173,808)
(516,772)	-	(516,772)
(413,318)	-	(413,318)
(348,765)	-	(348,765)
(21,170)	-	(21,170)
(719,645)	-	(719,645)
(242,428)	-	(242,428)
(6,259)	-	(6,259)
(1,090,757)	-	(1,090,757)
(423,815)	-	(423,815)
88	-	88
(97,569)	-	(97,569)
(292,857)	-	(292,857)
(128,011)	-	(128,011)
<u>(8,060,829)</u>	<u>-</u>	<u>(8,060,829)</u>
-	9,942	9,942
-	9,942	9,942
<u>(8,060,829)</u>	<u>9,942</u>	<u>(8,050,887)</u>
1,585,036	-	1,585,036
31,618	-	31,618
126,202	-	126,202
688,721	-	688,721
5,114,690	-	5,114,690
11,280	-	11,280
33,111	-	33,111
<u>7,590,658</u>	<u>-</u>	<u>7,590,658</u>
<u>799,775</u>	<u>-</u>	<u>799,775</u>
<u>8,390,433</u>	<u>-</u>	<u>8,390,433</u>
329,604	9,942	339,546
21,529,661	40,131	21,569,792
<u>\$ 21,859,265</u>	<u>\$ 50,073</u>	<u>\$ 21,909,338</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	<u>General</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 2,344,248	\$ 611,568	\$ 875,220	\$ 3,831,036
Cash with escrow agent. . . . .	311,681	12,498	-	324,179
Receivables:				
Property taxes. . . . .	2,217,773	-	213,138	2,430,911
Income taxes . . . . .	238,670	-	-	238,670
Intergovernmental . . . . .	595	-	62,117	62,712
Accrued interest . . . . .	347	-	-	347
Prepayments. . . . .	17,043	-	309	17,352
Materials and supplies inventory. . . . .	25,449	-	8,851	34,300
Restricted assets:				
Equity in pooled cash and cash equivalents . . . . .	25,818	-	-	25,818
Total assets . . . . .	<u>\$ 5,181,624</u>	<u>\$ 624,066</u>	<u>\$ 1,159,635</u>	<u>\$ 6,965,325</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 13,810	\$ 1,749	\$ 25,986	\$ 41,545
Contracts payable. . . . .	56,548	26,250	-	82,798
Retainage payable. . . . .	-	12,498	-	12,498
Accrued wages and benefits. . . . .	712,700	-	101,080	813,780
Compensated absences payable . . . . .	27,525	-	21,618	49,143
Pension obligation payable . . . . .	167,473	-	30,940	198,413
Intergovernmental payable . . . . .	57,043	-	2,994	60,037
Unearned revenue. . . . .	1,275,275	-	223,950	1,499,225
Deferred revenue . . . . .	722,168	-	79,301	801,469
Total liabilities. . . . .	<u>3,032,542</u>	<u>40,497</u>	<u>485,869</u>	<u>3,558,908</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	77,511	1,554	11,760	90,825
Reserved for materials and supplies inventory. . . . .	25,449	-	8,851	34,300
Reserved for prepayments. . . . .	17,043	-	309	17,352
Reserved for debt service . . . . .	-	-	199,128	199,128
Reserved for property tax unavailable for appropriation . . . . .	220,925	-	21,200	242,125
Reserved for school bus purchases . . . . .	25,818	-	-	25,818
Unreserved, undesignated, reported in:				
General fund. . . . .	1,782,336	-	-	1,782,336
Special revenue funds . . . . .	-	-	329,644	329,644
Capital projects funds . . . . .	-	582,015	102,874	684,889
Total fund balances . . . . .	<u>2,149,082</u>	<u>583,569</u>	<u>673,766</u>	<u>3,406,417</u>
Total liabilities and fund balances . . . . .	<u>\$ 5,181,624</u>	<u>\$ 624,066</u>	<u>\$ 1,159,635</u>	<u>\$ 6,965,325</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$	3,406,417
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			20,051,876
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	790,886	
Intergovernmental receivable		<u>10,583</u>	
Total			801,469
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.			79,113
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(6,411)
Unamortized deferred charges are not recognized in the funds.			72,502
Unamortized premiums on bond issuance are not recognized in the funds.			(93,157)
Unamortized bond issuance costs are not recognized in the funds.			20,653
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(406,222)	
Capital lease obligation		(58,077)	
General obligation bonds payable		(1,283,898)	
Lease-purchase agreement		<u>(725,000)</u>	
Total			<u>(2,473,197)</u>
<b>Net assets of governmental activities</b>		<u>\$</u>	<u>21,859,265</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

	<b>General</b>	<b>Classroom Facilities</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 1,382,152	\$ -	\$ 132,802	\$ 1,514,954
Income taxes . . . . .	688,721	-	-	688,721
Tuition . . . . .	398,339	-	-	398,339
Charges for services . . . . .	-	-	164,478	164,478
Earnings on investments . . . . .	7,272	4,008	45	11,325
Classroom materials and fees . . . . .	4,587	-	16,663	21,250
Rentals . . . . .	125	-	-	125
Contributions and donations . . . . .	-	-	504	504
Extracurricular . . . . .	-	-	101,857	101,857
Other local revenues . . . . .	33,111	-	34,022	67,133
Intergovernmental - State . . . . .	5,165,030	-	92,593	5,257,623
Intergovernmental - Federal . . . . .	2,245	-	1,378,172	1,380,417
Total revenue . . . . .	<u>7,681,582</u>	<u>4,008</u>	<u>1,921,136</u>	<u>9,606,726</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	2,703,837	-	699,337	3,403,174
Special . . . . .	851,209	-	119,782	970,991
Vocational . . . . .	216,764	-	513	217,277
Other . . . . .	516,794	-	14,190	530,984
Support services:				
Pupil . . . . .	396,195	-	56,713	452,908
Instructional staff . . . . .	294,793	-	252,760	547,553
Board of education . . . . .	21,174	-	-	21,174
Administration . . . . .	733,517	-	42,897	776,414
Fiscal . . . . .	236,632	918	3,196	240,746
Business . . . . .	6,210	-	3,297	9,507
Operations and maintenance . . . . .	1,005,296	-	27,911	1,033,207
Pupil transportation . . . . .	410,662	-	80,950	491,612
Central . . . . .	-	-	62,985	62,985
Operation of non-instructional services:				
Food service operations . . . . .	-	-	442,490	442,490
Extracurricular activities . . . . .	240,770	-	106,787	347,557
Facilities acquisition and construction . . . . .	43,190	218,184	101	261,475
Debt service:				
Principal retirement . . . . .	33,509	-	75,000	108,509
Interest and fiscal charges . . . . .	37,980	-	62,743	100,723
Total expenditures . . . . .	<u>7,748,532</u>	<u>219,102</u>	<u>2,051,652</u>	<u>10,019,286</u>
Excess of expenditures over revenues . . . . .	(66,950)	(215,094)	(130,516)	(412,560)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	98,000	98,000
Transfers (out) . . . . .	(98,000)	-	-	(98,000)
Total other financing sources (uses) . . . . .	<u>(98,000)</u>	<u>-</u>	<u>98,000</u>	<u>-</u>
<b>Extraordinary item:</b>				
SB 181 - taxes payable adjustment . . . . .	799,775	-	-	799,775
Total extraordinary item . . . . .	<u>799,775</u>	<u>-</u>	<u>-</u>	<u>799,775</u>
Net change in fund balances . . . . .	634,825	(215,094)	(32,516)	387,215
<b>Fund balances at beginning of year . . . . .</b>	<u>1,514,257</u>	<u>798,663</u>	<u>706,282</u>	<u>3,019,202</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,149,082</u>	<u>\$ 583,569</u>	<u>\$ 673,766</u>	<u>\$ 3,406,417</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	\$	387,215
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 321,704	
Current year depreciation	<u>(642,123)</u>	
Total		(320,419)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(87,323)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	227,902	
Intergovernmental revenue	<u>10,583</u>	
Total		238,485
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.		
		108,509
In the statement of activities, interest is accrued on outstanding bonds whereas, in governmental funds, an interest expenditure is reported in the statement of activities:		
Accrued interest	(1,118)	
Accreted interest on capital appreciation bonds	(26,169)	
Amortization of deferred charges	(5,839)	
Amortization of bond premium	7,502	
Amortization of bond issuance costs	<u>(1,664)</u>	
Total		(27,288)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		23,920
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities.		
		<u>6,505</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u>329,604</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 1,411,054	\$ 1,375,647	\$ 1,445,682	\$ 70,035
Income taxes . . . . .	682,227	665,107	698,969	33,862
Tuition . . . . .	388,798	379,041	398,339	19,298
Earnings on investments . . . . .	7,832	7,635	8,024	389
Classroom materials and fees . . . . .	4,477	4,365	4,587	222
Rental income . . . . .	122	119	125	6
Other local revenues . . . . .	43,388	42,299	44,453	2,154
Intergovernmental - State . . . . .	5,041,313	4,914,810	5,165,030	250,220
Intergovernmental - Federal . . . . .	2,191	2,136	2,245	109
Total revenue . . . . .	<u>7,581,402</u>	<u>7,391,159</u>	<u>7,767,454</u>	<u>376,295</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	2,868,901	2,764,830	2,765,106	(276)
Special . . . . .	915,847	882,624	896,713	(14,089)
Vocational . . . . .	223,527	215,418	206,071	9,347
Other . . . . .	527,139	508,017	526,593	(18,576)
Support services:				
Pupil . . . . .	443,509	427,420	396,155	31,265
Instructional staff . . . . .	293,491	282,844	297,505	(14,661)
Board of education . . . . .	23,856	22,991	20,471	2,520
Administration . . . . .	847,996	817,234	721,951	95,283
Fiscal . . . . .	283,262	272,986	236,259	36,727
Business . . . . .	9,650	9,300	7,118	2,182
Operations and maintenance . . . . .	1,088,966	1,049,463	1,035,869	13,594
Pupil transportation . . . . .	634,366	611,354	496,350	115,004
Central . . . . .	35,000	33,730	21,819	11,911
Extracurricular activities . . . . .	261,939	252,437	243,294	9,143
Facilities acquisition and construction . . . . .	88,989	85,761	111,521	(25,760)
Total expenditures . . . . .	<u>8,546,438</u>	<u>8,236,409</u>	<u>7,982,795</u>	<u>253,614</u>
Excess of expenditures over revenues . . . . .	<u>(965,036)</u>	<u>(845,250)</u>	<u>(215,341)</u>	<u>629,909</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	56,069	54,662	57,445	2,783
Transfers (out) . . . . .	(99,614)	(96,000)	(98,000)	(2,000)
Sale of capital assets . . . . .	29	29	30	1
Total other financing sources (uses) . . . . .	<u>(43,516)</u>	<u>(41,309)</u>	<u>(40,525)</u>	<u>784</u>
Net change in fund balance . . . . .	(1,008,552)	(886,559)	(255,866)	630,693
<b>Fund balance at beginning of year . . . . .</b>	2,509,637	2,509,637	2,509,637	-
<b>Prior year encumbrances appropriated . . . . .</b>	271,399	271,399	271,399	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,772,484</u>	<u>\$ 1,894,477</u>	<u>\$ 2,525,170</u>	<u>\$ 630,693</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010

	<b>Business-Type Activities - Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and cash equivalents . . . . .	\$ 52,985	\$ 84,994
	<u>                    </u>	<u>                    </u>
Total assets . . . . .	<u>52,985</u>	<u>84,994</u>
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable . . . . .	2,912	-
Claims payable . . . . .	<u>                    </u>	<u>5,881</u>
	<u>                    </u>	<u>                    </u>
Total liabilities. . . . .	<u>2,912</u>	<u>5,881</u>
<b>Net assets:</b>		
Unrestricted. . . . .	<u>50,073</u>	<u>79,113</u>
	<u>                    </u>	<u>                    </u>
Total net assets . . . . .	<u>\$ 50,073</u>	<u>\$ 79,113</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<b>Business-Type Activities - Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Operating revenues:</b>		
Other . . . . .	\$ 15,765	\$ 69,606
	<u>                    </u>	<u>                    </u>
Total operating revenues . . . . .	15,765	69,606
	<u>                    </u>	<u>                    </u>
<b>Operating expenses:</b>		
Purchased services. . . . .	-	4,520
Materials and supplies . . . . .	5,823	-
Claims . . . . .	-	58,581
	<u>                    </u>	<u>                    </u>
Total operating expenses. . . . .	5,823	63,101
	<u>                    </u>	<u>                    </u>
Operating income. . . . .	9,942	6,505
	<u>                    </u>	<u>                    </u>
Net assets at beginning of year . . . . .	40,131	72,608
	<u>                    </u>	<u>                    </u>
Net assets at end of year. . . . .	<u>\$ 50,073</u>	<u>\$ 79,113</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<b>Business-Type Activities - Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>		
Cash received from other operations . . . . .	\$ 15,765	\$ 69,606
Cash payments for purchased services. . . . .	-	(4,520)
Cash payments for materials and supplies . . . . .	(2,911)	-
Cash payments for claims . . . . .	-	(58,600)
	12,854	6,486
 Net cash provided by operating activities . . . . .	 12,854	 6,486
 <b>Cash and cash equivalents at beginning of year . . . . .</b>	 40,131	 78,508
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 52,985</b>	<b>\$ 84,994</b>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income . . . . .	\$ 9,942	\$ 6,505
Changes in assets and liabilities:		
Increase in accounts payable . . . . .	2,912	-
Decrease in claims payable. . . . .	-	(19)
	-	(19)
Net cash provided by operating activities . . . . .	<b>\$ 12,854</b>	<b>\$ 6,486</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2010

	<u>Agency</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 23,680
Receivables:	
Accounts . . . . .	<u>35</u>
Total assets. . . . .	<u>\$ 23,715</u>
<b>Liabilities:</b>	
Due to students. . . . .	<u>\$ 23,715</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Plymouth-Shiloh Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. This Board controls the District's 4 instructional/support facilities staffed by 40 classified and 73 certified full-time teaching personnel, who provide services to 855 students and other community members. The District ranks as the 527<sup>th</sup> by enrollment among 905 public and community school districts in the State and 8<sup>th</sup> largest in Richland County.

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided it does not conflict with or contradict GASB pronouncements. The District has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The District has elected not to apply these FASB Statements and Interpretations. The District's significant accounting policies are described below.

**A. Reporting Entity**

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG 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. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2010, the District paid \$68,715 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

Pioneer Career and Technology Center (PCTC)

The PCTC 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 participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Pioneer Career and Technology Center at 27 Ryan Road, Shelby, OH 44875.

*INSURANCE PURCHASING POOL*

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Plan. Each year, the participating school districts pay an enrolment fee to the Plan to cover the costs of administering the program.

**B. Fund Accounting**

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

*GOVERNMENTAL FUNDS*

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

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

*Classroom facilities fund* - This fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; (c) grants and other resources whose use is restricted to a particular purpose; and (d) food service operations.

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds consist of enterprise funds and internal service funds.

*Enterprise Fund* - The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body 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 (b) where the governing body has 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. The District has one enterprise fund to account for the special enterprises. This fund is considered a nonmajor enterprise fund.

*Internal service fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides dental benefits to employees.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**C. Basis of Presentation and Measurement Focus**

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

All proprietary fund types 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 statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

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

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

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

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2010 are recorded as deferred revenue on the governmental fund financial statements.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except Agency funds). The specific timetable for fiscal year 2010 is as follows:

1. 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 expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Richland County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2010.
4. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures may not exceed the appropriation total.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2010; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or policy of the Board of Education. Investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$7,272 which includes \$1,908 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**G. Inventory**

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

On fund financial statements, 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.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets, but are not reported in the fund financial statements.

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

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	10 - 20 years
Buildings and improvements	30 - 40 years
Furniture and equipment	5 - 20 years
Vehicles	8 - 15 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities column on the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at fiscal year end.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**J. Compensated Absences**

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

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2010, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and all employees with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2010 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service and enterprise funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims liability and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, capital leases and lease purchase agreements are recognized as a liability on the fund financial statements when due.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**L. Unamortized Bond Issuance Cost/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 12.C.

**M. Fund Balance Reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, prepayments, debt service, property tax revenue unavailable for appropriation and school bus purchases. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

**N. Operating Revenues and Expenses**

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's proprietary funds are charges for sales and services and other revenues. Operating expenses for the enterprise fund include purchased services and other expenses related to the operations of the special enterprises fund and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**O. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes includes amounts restricted by State statute for school bus purchases and the special trust fund (a nonmajor governmental fund).

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

**P. Prepayments**

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

**Q. Estimates**

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

**R. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish a reserve for school bus purchases. This reserve is required by State statute. A schedule of statutory reserves is presented in Note 20.

**S. Interfund Activity**

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2010, the District incurred a transaction that would be classified as an extraordinary item. The extraordinary item relates to Senate Bill 181, which became effective September 13, 2010, and relieves the District of any prior and future tax liability related to the District's leased land. The \$799,775 liability reported at June 30, 2009 for taxes payable remaining during fiscal year 2010 due to Senate Bill 181, and is reported as an extraordinary item in the statement of activities.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2010 included the following individual fund deficits:

<u>Nonmajor fund</u>	<u>Deficit</u>
IDEA Part B	\$ 94,302
Title I	20,157
Improving teacher quality	1,457

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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

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

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

**A. Cash on Hand**

At fiscal year end, the District had \$2,705 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

**B. Cash with Escrow Agent**

At fiscal year end, the District had \$311,681 in cash and investments held by U.S. Bank in relation to the lease-purchase agreement discussed in Note 11. In addition, at fiscal year end, \$12,498 was on deposit with an escrow agent for retainage held as part of the District's construction contracts. These amounts are included in the basic financial statements as "cash with escrow agent".

**C. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all District deposits was \$95,264. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, all of the District's bank balance of \$165,659 was covered by the FDIC.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**D. Investments**

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
STAR Ohio	\$ 3,920,544	\$ 3,920,544

The weighted average maturity of investments is 0.00 years.

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

*Credit Risk:* STAR Ohio was rated AAAM and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District's investment policy addresses concentration of credit risk by encouraging diversification to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. The following table includes the percentage of each investment type held by the District at June 30, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 3,920,544	100.00

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**E. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 95,264
Investments	3,920,544
Cash on hand	2,705
Cash with escrow agent	324,179
Total	\$ 4,342,692
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 4,266,027
Business type activities	52,985
Agency fund	23,680
Total	\$ 4,342,692

**NOTE 5 - INTERFUND TRANSACTIONS**

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

Transfers to nonmajor governmental funds from:	
General fund	\$ 98,000

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

**NOTE 6 - PROPERTY TAXES**

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

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

The District receives property taxes from Richland County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$220,925 in the general fund, \$17,738 in the bond retirement debt service fund (a nonmajor governmental fund) and \$3,462 in the maintenance fund (a nonmajor governmental fund). These amounts are recorded as revenue. The amount available for advance at June 30, 2009 was \$284,455 in the general fund, \$21,615 in the bond retirement debt service fund (a nonmajor governmental fund) and \$4,522 in the maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 66,721,460	95.75	\$ 70,356,950	96.53
Public utility personal	2,652,280	3.81	2,532,870	3.47
Tangible personal property	<u>310,781</u>	<u>0.44</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 69,684,521</u>	<u>100.00</u>	<u>\$ 72,889,820</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$33.00		\$32.80	

**NOTE 7 - SCHOOL DISTRICT INCOME TAX**

The voters of the District passed a 1% school district income tax at the May 8, 1990 election that became effective January 1, 1991. This tax is effective indefinitely. School district income tax revenue received by the general fund during fiscal year 2010 was \$688,721.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2010 consisted of taxes, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

<b>Governmental activities:</b>	
Property taxes	\$ 2,430,911
Income taxes	238,670
Accrued interest	347
Intergovernmental	<u>62,712</u>
Total	<u>\$ 2,732,640</u>

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 9 - CAPITAL ASSETS**

The June 30, 2009 capital asset balances of buildings and improvements and furniture and equipment have been restated in the amount of \$326,339 to report certain furniture and equipment assets in the proper category. This restatement had no effect on net assets. Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Restated Balance <u>06/30/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/10</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 920,356	\$ -	\$ -	\$ 920,356
Construction in progress	-	52,523	-	52,523
Total capital assets, not being depreciated	<u>920,356</u>	<u>52,523</u>	<u>-</u>	<u>972,879</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	544,026	-	-	544,026
Buildings and improvements	20,872,152	244,066	(95,049)	21,021,169
Furniture and equipment	1,528,963	25,115	(75,197)	1,478,881
Vehicles	743,684	-	-	743,684
Total capital assets, being depreciated	<u>23,688,825</u>	<u>269,181</u>	<u>(170,246)</u>	<u>23,787,760</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(308,622)	(27,760)	-	(336,382)
Buildings and improvements	(2,456,320)	(480,045)	7,726	(2,928,639)
Furniture and equipment	(768,641)	(110,841)	75,197	(804,285)
Vehicles	(615,980)	(23,477)	-	(639,457)
Total accumulated depreciation	<u>(4,149,563)</u>	<u>(642,123)</u>	<u>82,923</u>	<u>(4,708,763)</u>
Governmental activities capital assets, net	<u>\$ 20,459,618</u>	<u>\$ (320,419)</u>	<u>\$ (87,323)</u>	<u>\$ 20,051,876</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 320,876
Special	21,796
Vocational	23,981
<u>Support services:</u>	
Pupil	2,832
Instructional staff	20,456
Administration	16,801
Fiscal	1,577
Operations and maintenance	90,850
Pupil transportation	10,810
Extracurricular activities	50,816
Food service operations	<u>81,328</u>
Total depreciation expense	<u>\$ 642,123</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE**

In prior fiscal years the District entered into capitalized leases for the acquisition of computers and monitors. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets acquired by lease have been originally capitalized in the amount of \$92,245, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2010 was \$36,898, leaving a current book value of \$55,347. Principal payments in the 2010 fiscal year totaled \$17,509. This amount is reported as debt service payments of the general fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 21,396
2012	21,396
2013	<u>21,396</u>
Total minimum lease payments	64,188
Less: amount representing interest	<u>(6,111)</u>
Total	<u>\$ 58,077</u>

**NOTE 11 - LEASE-PURCHASE AGREEMENT**

During fiscal years 2007 and 2008, the District entered into two lease-purchase agreements with the Columbus Regional Airport Authority (through the OASBO Expanded Asset Pooled Financing Program) for the local share of the Ohio School Facilities Commission project. U.S. Bank has been designated as a trustee for the agreements. These leases meet the criteria of a lease-purchase as defined by FASB Statement No. 13, "Accounting for Leases", which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. These leases were used for school facility improvements and the purchase of land. Assets related to the lease-purchase agreements have been capitalized in the amount of \$460,000. The outstanding liability associated with these assets was \$439,000 at June 30, 2010. As of June 30, 2010, \$296,000 of the lease-purchase agreement proceeds remained unspent. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2010 totaled \$16,000 and \$34,093, respectively.

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

**NOTE 11 - LEASE-PURCHASE AGREEMENT - (Continued)**

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2010.

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2011	\$ 51,345
2012	50,522
2013	50,679
2014	50,814
2015	50,875
2016 - 2020	253,061
2021 - 2025	253,576
2026 - 2030	251,407
2031 - 2035	<u>193,158</u>
Total minimum lease payments	1,205,437
Less: amount representing interest	<u>(480,437)</u>
Present value of minimum lease payments	<u>\$ 725,000</u>

**NOTE 12 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2000, the District issued \$1,761,000 in general obligation bonds to provide long-term financing for the renovation of the elementary school and the construction of a new middle school/ high school building. These bonds bear an annual interest rate of 5.0% and mature in fiscal year 2017.

During fiscal year 2007, the District refunded \$875,000 of the current interest bonds.

Payments of principal and interest relating to this liability are recorded as an expenditure in the debt service fund. The unmatured obligation at year end is accounted for in the governmental activities long-term obligations.

The following is a schedule of activity for fiscal year 2010 on the Series 2000 general obligation refunding bonds:

	Interest	Maturity	Balance			Balance	Amounts
	<u>Rate</u>	<u>Date</u>	<u>Outstanding</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u>	<u>Due in</u>
			<u>06/30/09</u>			<u>06/30/10</u>	<u>One Year</u>
General obligation bond payable - Facilities Building	5.00%	12/01/16	\$ 470,000	\$ -	\$ (60,000)	\$ 410,000	\$ 65,000

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

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

Fiscal Year <u>Ending June 30,</u>	Principal on <u>Bond</u>	Interest on <u>Bond</u>	<u>Total</u>
2011	\$ 65,000	\$ 26,676	\$ 91,676
2012	-	24,840	24,840
2013	-	24,840	24,840
2014	75,000	22,140	97,140
2015	85,000	16,380	101,380
2016 - 2017	<u>185,000</u>	<u>13,500</u>	<u>198,500</u>
Total	<u>\$ 410,000</u>	<u>\$ 128,376</u>	<u>\$ 538,376</u>

- B.** On October 26, 2006, the District issued general obligation bonds (Series 2007 General Obligation Refunding Bonds) to advance refund the callable portion of the Series 2000 Current Interest General Obligation Bonds (principal \$875,000). The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$850,000, and capital appreciation bonds, par value \$25,000. The capital appreciation bonds mature December 1, 2011 and December 1, 2012 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$175,000. Total accreted interest of \$63,898 has been included in the statement of activities.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

The following is a schedule of activity for fiscal year 2010 on the Series 2007 general obligation refunding bonds:

	Balance <u>06/30/09</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>06/30/10</u>	Amounts Due in <u>One Year</u>
Current interest bonds	\$ 800,000	\$ -	\$ (15,000)	\$ 785,000	\$ 20,000
Capital appreciation bonds	25,000	-	-	25,000	-
Accreted interest	<u>37,729</u>	<u>26,169</u>	<u>-</u>	<u>63,898</u>	<u>-</u>
Total G.O. bonds	<u>\$ 862,729</u>	<u>\$ 26,169</u>	<u>\$ (15,000)</u>	<u>\$ 873,898</u>	<u>\$ 20,000</u>

The reacquisition price exceeded the net carrying amount of the old debt by \$93,912. The amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the Series 2007 general obligation refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 20,000	\$ 31,850	\$ 51,850	\$ -	\$ -	\$ -
2012	-	31,450	31,450	15,000	75,000	90,000
2013	-	31,450	31,450	10,000	75,000	85,000
2014	10,000	31,250	41,250	-	-	-
2015	10,000	30,850	40,850	-	-	-
2016 - 2020	360,000	128,588	488,588	-	-	-
2021 - 2023	385,000	23,900	408,900	-	-	-
<b>Total</b>	<b>\$ 785,000</b>	<b>\$ 309,338</b>	<b>\$ 1,094,338</b>	<b>\$ 25,000</b>	<b>\$ 150,000</b>	<b>\$ 175,000</b>

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

	Balance Outstanding 06/30/09	Additions	Reductions	Balance Outstanding 06/30/10	Amount Due in One Year
<b>Governmental activities:</b>					
General obligation bonds payable - Series 2000	\$ 470,000	\$ -	\$ (60,000)	\$ 410,000	\$ 65,000
General obligation bonds payable - Series 2007	862,729	26,169	(15,000)	873,898	20,000
Lease purchase agreement	741,000	-	(16,000)	725,000	18,000
Capital leases	75,586	-	(17,509)	58,077	18,403
Compensated absences	473,283	81,738	(99,656)	455,365	91,894
Total governmental activities long-term liabilities	<u>\$ 2,622,598</u>	<u>\$ 107,907</u>	<u>\$ (208,165)</u>	2,522,340	<u>\$ 213,297</u>
				(72,502)	
				93,157	
				<u>\$ 2,542,995</u>	

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$5,556,950 (including available funds of \$216,866) and an unvoted debt margin of \$72,890.

**NOTE 13 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 25 days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Administrators who are contracted to work 260 days in a year are given 15 to 20 days of vacation per year by contract. Any unused vacation days at the end of the contract are forfeited. The only exception is the Superintendent who can accumulate vacation for up to 3 years at the end of his contract, and the Treasurer who can accumulate vacation for up to 2 years at the end of her contract. Teachers do not earn vacation time. Compensated absences will be paid from the fund from which the employee is paid, primarily the general fund, and the following nonmajor governmental funds: Title VI-B, Title I and the food service fund.

For fiscal year 2010, administrators, teachers and classified employees earn sick leave at a rate of 25.64% of sick leave balance to a maximum of 80 days. Payment of severance shall be paid at time of retirement after all requirements of eligibility have been met.

Calamity days are paid for certified, cooks and bus driver employees. Up to five days per year are provided under this benefit.

Personal leave days are available to all employees at the rate of three days annually. Any unused personal days are converted to sick days.

**NOTE 14 - RISK MANAGEMENT**

**A. Property, Fleet, and Liability Insurance**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the District contracted with a commercial insurer for building and personal property coverage in the blanket amount of \$29,817,754, 100% coinsurance, replacement cost endorsement and a \$1,000 deductible.



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

**NOTE 14 - RISK MANAGEMENT - (Continued)**

Vehicles are covered by a policy, which provides for a \$500 deductible for comprehensive and a \$500 deductible for collision. Vehicle liability has a \$2,000,000 combined single limit of liability. The District maintains coverage of \$1,000,000 for uninsured/underinsured motorists.

The general liability coverage involves a \$2,000,000 single occurrence limit and \$4,000,000 general aggregate limit with no deductible. An umbrella liability coverage is provided above the previously stated base liability coverages for general and fleet liability in the amount of \$10,000,000 with no deductible.

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

**B. Employee Dishonesty Bonds**

The District carries employee dishonesty bonds for the Treasurer, Superintendent and Board President in the amount of \$25,000. An employee blanket dishonesty bond in the amount of \$25,000 is provided to cover all other employees of the District.

**C. Workers' Compensation**

During fiscal year 2010, the District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provided administrative, cost control and actuarial services to the GRP.

**D. Employee Group Life, Medical, Dental, and Vision Insurance**

The District provides life insurance and accidental death and dismemberment insurance to all regular contracted employees through Sun Life in the amount of \$20,000; the Superintendent and Treasurer's coverage is in the amount of \$50,000.

The District has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. The premium for single coverage is \$423.91 and \$1,144.53 for family. Employees pay 10% of the premium per negotiated union contracts and cannot be raised, except through negotiated agreement. The medical plan and prescription drug card are administered by Medical Mutual of Ohio located in Cleveland, Ohio.

The District provides dental coverage for its employees on a self-insured basis through Medical Mutual of Ohio. The total monthly premium is \$25.00 for single and \$67.00 for family coverage. This premium includes the employee portion, which is paid by the District.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - RISK MANAGEMENT - (Continued)**

The claims liability of \$5,881 reported in the fund at June 30, 2010, is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the District’s third party administrator. Changes in the fund’s claims liability for the current and prior fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2010	\$ 5,900	\$ 58,581	\$ (58,600)	\$ 5,881
2009	7,000	49,954	(51,054)	5,900

The District also provides vision coverage for its employees on a fully-insured basis through Reliance Standard. The total monthly premium is \$11.36 for single coverage and \$25.20 for family coverage. This premium includes the employee portion, which is paid by the District. This amount is also capped by negotiated union contracts and cannot be raised, except through negotiated agreement.

The above employee portions of premiums for medical, dental and vision insurance are for full-time employees. Current part-time employees already enrolled in the plan may pay pro-rated premiums for coverage; however, new staff must be full-time to be eligible for coverage.

**NOTE 15 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS’ Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$139,977, \$96,829 and \$94,184, respectively; 44.68 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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RICHLAND COUNTY, OHIO**

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

**NOTE 15 - PENSION PLANS - (Continued)**

**B. State Teachers Retirement System of Ohio**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$483,644, \$462,059 and \$451,160, respectively; 83.80 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$637 made by the District and \$455 made by the plan members.

**C. Social Security System**

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

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

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

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$21,016, \$64,886 and \$59,207, respectively; 44.68 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$8,324, \$7,989 and \$6,786, respectively; 44.68 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)**

**B. State Teachers Retirement System of Ohio**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$37,203, \$35,543 and \$34,705, respectively; 83.80 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General Fund</u>
Budget basis	\$ (255,866)
Net adjustment for revenue accruals	(85,872)
Net adjustment for expenditure accruals	78,135
Net adjustment for other sources/uses	742,300
Adjustment for encumbrances	156,128
GAAP basis	\$ 634,825

**NOTE 18 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not party to legal proceedings which, in the opinion of District management, will not have a material effect, if any, on the financial condition of the District.

**NOTE 19 - GROUP PURCHASING POOL**

The District is a member of the Metropolitan Educational Council (MEC) purchasing group. The following items are purchased through this group discount program; custodial products, food service products, audio visual bulbs, and certain paper products. The MEC also provides a Self-Help Gas Program where members save significant amounts on natural gas purchases.

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

**NOTE 20 - STATUTORY RESERVES**

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

During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2009	\$ (393,420)	\$ -
Current year set-aside requirement	147,019	147,019
Current year offsets	-	(23,363)
Qualifying disbursements	<u>(131,011)</u>	<u>(259,587)</u>
 Total	 <u>\$ (377,412)</u>	 <u>\$ (135,931)</u>
 Balance carried forward to fiscal year 2011	 <u>\$ (377,412)</u>	 <u>\$ -</u>

The District had qualifying expenditures during the year that reduced the textbooks/instructional materials set-aside amounts below zero. The extra amount for textbooks/instructional materials is being carried forward to reduce the set-aside requirements for future years. Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero for the capital improvement reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

The District had \$25,818 restricted for school bus purchases at June 30, 2010.

**NOTE 21 - CONTRACTUAL COMMITMENTS**

As of June 30, 2010, the District had the following contractual commitments outstanding related to the construction of a storage building. A summary of the primary contractual commitments follows:

<u>Project/Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2010</u>
Storage Building:			
Clifford Construction Company	<u>\$ 59,762</u>	<u>\$ (52,523)</u>	<u>\$ 7,239</u>

**NOTE 22 - SIGNIFICANT SUBSEQUENT EVENT**

On September 13, 2010, Senate Bill 181 became effective, which amends Ohio Revised Code 3313.44 to allow for any real property owned by or leased to any Board of Education for a term of at least fifty years to be exempt from taxation. Senate Bill 181 applies to the land in which the District leases from Muller Hauss Van Aken Farms Limited Partnership (also see Note 2.T).

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. Department of Agriculture</b>						
<b>Passed through State Department of Education</b>						
<i>Child Nutrition Cluster</i>						
National School Breakfast Program	10.553	047894-05-PU-10	\$ 60,018	\$ 0	\$ 60,018	\$ 0
National School Lunch Program	10.555	047894-LLP4-10	179,876	42,112	179,876	42,112
<i>Total Child Nutrition Cluster</i>			<u>239,894</u>	<u>42,112</u>	<u>239,894</u>	<u>42,112</u>
<b>Total U.S. Department of Agriculture</b>			<u>239,894</u>	<u>42,112</u>	<u>239,894</u>	<u>42,112</u>
<b>U.S. Department of Education</b>						
<b>Passed through State Department of Education</b>						
<i>Title I Cluster:</i>						
Title I - Grants to Local Educational Agencies	84.010	047894-C1S1-10	296,204	0	295,069	0
Title I - Grants to Local Educational Agencies	84.010	047894-C1S1-09	35,626	0	41,030	0
Title I-Grants to Local Educational Agencies - ARRA	84.389		98,028	0	95,028	0
<i>Total Title I Cluster</i>			<u>429,858</u>	<u>0</u>	<u>431,127</u>	<u>0</u>
<i>Special Education Cluster:</i>						
Title VI-B - Special Education - Grants to States - 2010	84.027	047894-6BSF-10	178,321	0	178,249	0
Title VI-B - Special Education - Grants to States - 2009	84.027	047894-6BSF-09	27,329	0	31,280	0
Title VI-B - Special Education - Grants to States - ARRA	84.391		204,638	0	200,853	0
<i>Total Special Education Cluster</i>			<u>410,288</u>	<u>0</u>	<u>410,382</u>	<u>0</u>
Education Technology State Grants	84.318		3,049	0	3,049	0
Education Stabilization Fund - ARRA	84.394		319,253	0	319,253	0
Title IV - Safe and Drug-Free Schools and Communities State Grants	84.186	047894-DR-S1-09	4,759	0	4,759	0
Title II-A - Improving Teacher Quality - State Grants - FY 2010	84.367	047894-TRS1-10	59,601	0	58,061	0
Title II-A - Improving Teacher Quality - State Grants - FY 2009	84.367	047894-TRS1-09	9,993	0	13,398	0
<i>Total CFDA #84.367</i>			<u>69,594</u>	<u>0</u>	<u>71,459</u>	<u>0</u>
<b>Total U.S. Department of Education</b>			<u>1,236,801</u>	<u>0</u>	<u>1,240,029</u>	<u>0</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,476,695</u>	<u>\$ 42,112</u>	<u>\$ 1,479,923</u>	<u>\$ 42,112</u>

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
NOTES TO THE SUPPLEMENTAL SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2010**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Plymouth-Shiloh Local School District and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2: NONCASH SUPPORT**

The District receives noncash support in the form of food subsidies from the National School Lunch Program (NSLP), CFDA 10.555. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

**NOTE 3: INTERFUND TRANSFERS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. During fiscal year 2010, the District had no ODE authorized transfers.

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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(216) 475 - 6136

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

Board of Education  
Plymouth-Shiloh Local School District  
Plymouth, Ohio

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Plymouth-Shiloh Local School District, Richland County, Ohio, as of and for the year ended June 30, 2010, which collectively comprise the Plymouth-Shiloh Local School District, Ohio's basic financial statements and have issued our report thereon dated December 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Plymouth-Shiloh Local School District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plymouth-Shiloh Local School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Plymouth-Shiloh Local School District, Ohio's internal control over financial reporting.

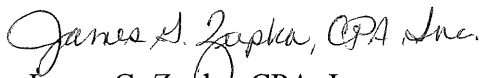
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination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

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

**Compliance and Other Matters**

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

This report is intended solely for the information and use of management, the Board of Education, the District's Audit Committee, others within the entity, and 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.

  
James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 3, 2010

**JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

Board of Education  
Plymouth-Shiloh Local School District  
Plymouth, Ohio

**Compliance**

We have audited the Plymouth-Shiloh Local School District, Richland County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Plymouth-Shiloh Local School District, Ohio's major federal programs for the year ended June 30, 2010. The Plymouth-Shiloh Local School District, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Plymouth-Shiloh Local School District, Ohio's management. Our responsibility is to express an opinion on the Plymouth-Shiloh Local School District, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Plymouth-Shiloh Local School District, Ohio'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 of the Plymouth-Shiloh Local School District, Ohio's compliance with those requirements.

In our opinion, the Plymouth-Shiloh Local School District, Ohio complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

### **Internal Control Over Compliance**

Management of the Plymouth-Shiloh Local School District, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Plymouth-Shiloh Local School District, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Plymouth-Shiloh Local School District, Ohio's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Board of Education, the District's Audit Committee, others within the entity, and 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.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 3, 2010

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
 RICHLAND COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 OMB CIRCULAR A-133 & .505  
 JUNE 30, 2010**

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

2010(i)	Type of Financial Statement Opinion	Unqualified
2010(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2010(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2010(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2010(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2010(iv)	Were there any other significant deficiencies in Internal control reported for major federal programs?	No
2010(v)	Type of Major Program's Compliance Opinion	Unqualified
2010(vi)	Are there any reportable findings under .510?	No
2010(vii)	Major Programs (list):  Title I Cluster: Title I - Grants to Local Educational Agencies - CFDA #84.010 Title I - Grants to Local Educational Agencies - ARRA - CFDA #84.389  Special Education Cluster: Title VI-B - Special Education - Grants to States - CFDA #84.027 Title VI-B - Special Education - Grants to States - ARRA - CFDA #84.391  Education Stabilization Fund - ARRA - #84.394	
2010(viii)	Dollar Threshold: Type A\B Program	Type A: \$300,000 or more Type B: All others less than \$300,000
2010(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2010**

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The prior audit report, as of June 30, 2009, included no citations or instances of noncompliance. Management letter recommendations were corrected or procedures instituted to prevent occurrences in this audit period.

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# Dave Yost • Auditor of State

PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT

RICHLAND COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
FEBRUARY 1, 2011