

**ROSSFORD EXEMPTED
VILLAGE SCHOOL DISTRICT**

Basic Financial Statements

Year Ended June 30, 2010

With Independent Auditors' Report



Dave Yost • Auditor of State

Board of Education
Rossford Exempted Village School District
601 Superior Street
Rossford, Ohio 43460

We have reviewed the *Independent Auditors' Report* of the Rossford Exempted Village School District, Wood County, prepared by Clark, Schaefer, Hackett & Co., 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 Rossford Exempted Village 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

February 11, 2011

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TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Basic Financial Statements:	
Management's Discussion and Analysis	3 - 9
Government-wide Financial Statements:	
Statement of Net Assets.....	11
Statement of Activities	12 - 13
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund	18
Statement of Fiduciary Net Assets.....	19
Statement of Change in Fiduciary Net Assets.....	20
Notes to the Basic Financial Statements	21 - 46
Required Supplementary Information:	
Schedule of Expenditures of Federal Awards	47
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	48 - 49
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	50 - 51
Schedule of Findings and Questioned Costs	52 - 53
Schedule of Prior Audit Findings.....	54

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Rossford Exempted Village School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rossford Exempted Village School District (the School District), as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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.

As described in Note 3 to the basic financial statements, the School District changed the accounting treatment applied to receivables for payments in lieu of taxes from an exchange transaction to a nonexchange transaction based upon guidance received from the Governmental Accounting Standards Board.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rossford Exempted Village School District as of June 30, 2010, and the respective changes in financial position and the budgetary comparison for the General Fund thereof 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 30, 2010, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 30, 2010

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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

Highlights

Highlights for fiscal year 2010 are as follows:

In total, net assets increased \$1,249,808, or 7 percent. Although the overall change in both revenues and expenses was less than 3 percent, the excess of revenues over expenses led to the increase in net assets.

General revenues were \$22,611,105 for fiscal year 2010, or 89 percent of all revenues, and reflect the School District's significant dependence on property taxes and unrestricted state entitlements.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Rossford Exempted Village School District as a financial whole, or as an entire operating entity.

The statement of net assets and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances.

Fund financial statements provide a greater 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 School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Rossford Exempted Village School District, the General Fund is the most significant fund.

Reporting the School District as a Whole

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2010. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

These statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the School 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, all of the School District's activities are reflected as governmental activities including instruction, support services, non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

Governmental Funds - All of the School District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2010 and fiscal year 2009. Fiscal year 2009 amounts have been restated, where applicable.

Table 1
Net Assets

	Governmental Activities		
	2010	2009	Change
<u>Assets:</u>			
Current and Other Assets	\$26,160,232	\$28,152,494	(\$1,992,262)
Capital Assets, Net	9,412,905	6,562,601	2,850,304
Total Assets	35,573,137	34,715,095	858,042

(continued)

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 1
Net Assets
(continued)

	Governmental Activities		
	2010	2009	Change
<u>Liabilities:</u>			
Current and Other Liabilities	\$14,834,758	\$15,361,872	\$527,114
Long-Term Liabilities	1,815,386	1,680,038	(135,348)
Total Liabilities	<u>16,650,144</u>	<u>17,041,910</u>	<u>391,766</u>
<u>Net Assets:</u>			
Invested in Capital Assets	9,412,905	6,562,601	2,850,304
Restricted	1,569,342	1,358,072	211,270
Unrestricted	7,940,746	9,752,512	(1,811,766)
Total Net Assets	<u>\$18,922,993</u>	<u>\$17,673,185</u>	<u>\$1,249,808</u>

As noted in the above table, there were a couple of significant changes from the prior fiscal year. Two primary factors led to the decrease in current and other assets. There was a decrease in cash and cash equivalents as resources were spent on construction activities for the new athletic complex and a decrease in the receivable for property taxes was primarily due to the State's elimination of tangible personal property taxes. The increase in net capital assets as well as invested in capital assets was due to the additional construction on the athletic facilities. The decrease in unrestricted net assets is generally the result of the decrease in property taxes receivable.

Table 2 reflects the change in net assets for fiscal year 2010 and fiscal year 2009. Fiscal year 2009 amounts have been restated, where applicable.

Table 2
Change in Net Assets

	Governmental Activities		
	2010	2009	Change
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$969,667	\$1,055,373	(\$85,706)
Operating Grants and Contributions	1,841,154	1,348,139	493,015
Capital Grants and Contributions	0	13,969	(13,969)
Total Program Revenues	<u>2,810,821</u>	<u>2,417,481</u>	<u>393,340</u>
General Revenues			
Property Taxes Levied for General Purposes	12,106,298	13,962,315	(1,856,017)
Payment in Lieu of Taxes	422,594	573,244	(150,650)
Grants and Entitlements	8,593,200	7,855,152	738,048
Interest	25,488	153,611	(128,123)
Gifts and Donations	1,352,858	1,154,288	198,570
Miscellaneous	110,667	111,936	(1,269)
Total General Revenues	<u>22,611,105</u>	<u>23,810,546</u>	<u>(1,199,441)</u>
Total Revenues	<u>25,421,926</u>	<u>26,228,027</u>	<u>(806,101)</u>

(continued)

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 2
Change in Net Assets
(continued)

	Governmental Activities		
	2010	2009	Change
<u>Expenses:</u>			
<u>Instruction:</u>			
Regular	\$10,924,444	\$10,355,810	(\$568,634)
Special	2,422,326	2,535,995	113,669
Vocational	286,183	262,962	(23,221)
Adult/Continuing	28,992	19,064	(9,928)
<u>Support Services:</u>			
Pupils	2,133,830	1,677,518	(456,312)
Instructional Staff	1,276,523	1,305,198	28,675
Board of Education	46,075	49,235	3,160
Administration	2,075,593	2,019,633	(55,960)
Fiscal	429,020	423,711	(5,309)
Business	106,393	113,714	7,321
Operation and Maintenance of Plant	1,260,924	2,107,209	846,285
Pupil Transportation	1,009,021	939,009	(70,012)
Central	475,466	416,475	(58,991)
Non-Instructional Services	955,916	977,826	21,910
Extracurricular Activities	741,412	756,197	14,785
Total Expenses	<u>24,172,118</u>	<u>23,959,556</u>	<u>(212,562)</u>
Increase (Decrease) in Net Assets	1,249,808	2,268,471	(1,018,663)
Net Assets at Beginning of Year	<u>17,673,185</u>	<u>15,404,714</u>	<u>2,268,471</u>
Net Assets at End of Year	<u>\$18,922,993</u>	<u>\$17,673,185</u>	<u>\$1,249,808</u>

The 16 percent increase in program revenues in fiscal year 2010 is the result of additional grant resources received as a result of the American Recovery and Reinvestment Act (ARRA). The primary change in general revenues is reflected in the decrease in property tax revenue due to the State's elimination of tangible personal property taxes.

In general, expenses remained fairly comparable to the prior fiscal year with an increase of less than 1 percent. Note, however, the increase in expenses in the regular instruction and pupils programs; with the increase in ARRA grant resources, there was a corresponding increase in related program expenses. The major program expenses for governmental activities are for instruction, which are approximately 57 percent of total governmental expenses. Other programs which support the instruction process, including pupils, instructional staff, and pupil transportation are 18 percent of governmental expenses. Maintenance of the School District's facilities also represents a significant expense, 5 percent. Therefore, 80 percent of the School District's expenses are directly related to the activities of providing facilities and delivering education.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2010	2009	2010	2009
Instruction:				
Regular	10,924,444	\$10,355,810	\$10,497,949	\$9,853,570
Special	2,422,326	2,535,995	1,151,695	1,591,652
Vocational	286,183	262,962	279,529	256,342
Adult/Continuing	28,992	19,064	28,992	19,064
Support Services:				
Pupils	2,133,830	1,677,518	2,128,830	1,667,654
Instructional Staff	1,276,523	1,305,198	1,276,523	1,305,198
Board of Education	46,075	49,235	46,075	49,235
Administration	2,075,593	2,019,633	2,075,593	2,019,633
Fiscal	429,020	423,711	429,020	423,711
Business	106,393	113,714	106,393	113,714
Operation and Maintenance of Plant	1,260,924	2,107,209	1,260,924	2,107,209
Pupil Transportation	1,009,021	939,009	1,009,021	925,040
Central	475,466	416,475	475,466	416,475
Non-Instructional Services	955,916	977,826	77,715	133,899
Extracurricular Activities	741,412	756,197	517,572	516,202
Total Expenses	<u>\$24,172,118</u>	<u>\$23,959,556</u>	<u>\$21,361,297</u>	<u>\$21,398,598</u>

As can be seen above, the dependence on general revenues for most programs is significant. Only several of the School District's programs receive a notable amount of program revenues to offset program costs. The special instruction program provides for 52 percent of its costs through program revenues from operating grants restricted for special instruction purposes (this was increased in fiscal year 2010 due to the receipt of ARRA grant resources). Program revenues in the non-instructional program include cafeteria sales and state and federal subsidies and donated commodities for food service operations as well as operating grants received on behalf of All Saints parochial school. Program revenues in the extracurricular activities program include music and athletic fees, ticket sales, and gate receipts.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The General Fund had a decrease in fund balance of over 10 percent from the prior fiscal year. There was a decrease in revenues of almost 5 percent, generally due to the decrease in property taxes as noted earlier, and an increase in expenditures of 10 percent, in part, due to the construction activities on the athletic facilities.

General Fund Budgeting Highlights

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

During fiscal year 2010, the School District amended its General Fund budget as needed. For revenues, there was a 15 percent decrease from the original budget to the final budget due to a decrease in the estimate of property taxes to be received. The change from the final budget to actual revenues was not significant. For expenditures, changes from the original budget to the final budget and from the final budget to actual expenditures were not significant.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the School District had \$9,412,905 invested in capital assets (net of accumulated depreciation); a substantial increase from the prior fiscal year due to the \$3.2 million in ongoing construction of the athletic fields. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Debt

The School District's long-term obligations consist of compensated absences. For further information regarding the School District's long-term obligations, refer to Note 16 to the basic financial statements.

Current Issues

The School District's current five-year forecast indicates that the School District is in a sound financial position throughout fiscal years 2011 through 2015. We are also assuming that two 7.9 mill levy issues that expire in 2011 will be renewed or replaced.

In anticipation of the loss of tangible personal taxes, the result of HB 66, the School District has reduced the budget for the past two fiscal years and expects to do so again in fiscal year 2011. Most of the reductions to date have occurred through attrition, a trend expected to continue in an environment of contracting student enrollment.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Labor contracts for both certified and classified employees are in the last year of three-year agreements, with expiration in fiscal year 2011. The School District has been using the Interest Based Model very successfully for negotiating these contracts.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James Rossler, Jr., Treasurer, Rossford Exempted Village School District, 601 Superior Street, Rossford, Ohio 43460.

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Rossford Exempted Village School District
Statement of Net Assets
June 30, 2010

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$12,714,054
Accounts Receivable	11,428
Accrued Interest Receivable	12,393
Intergovernmental Receivable	316,542
Prepaid Items	49,783
Inventory Held for Resale	7,067
Materials and Supplies Inventory	2,488
Property Taxes Receivable	12,619,077
Payment in Lieu of Taxes Receivable	427,400
Nondepreciable Capital Assets	4,618,923
Depreciable Capital Assets, Net	4,793,982
Total Assets	35,573,137
 <u>Liabilities:</u>	
Accounts Payable	120,621
Contracts Payable	434,527
Accrued Wages and Benefits Payable	2,595,423
Intergovernmental Payable	886,413
Matured Compensated Absences Payable	105,027
Retainage Payable	61,994
Separation Benefits Payable	148,480
Deferred Revenue	10,482,273
Long-Term Liabilities:	
Due Within One Year	127,132
Due in More Than One Year	1,688,254
Total Liabilities	16,650,144
 <u>Net Assets:</u>	
Invested in Capital Assets	9,412,905
Restricted For:	
Set Asides	1,214,621
Debt Service	85,887
Capital Projects	8,311
School Support	34,410
Athletics	70,609
Other Purposes	155,504
Unrestricted	7,940,746
Total Net Assets	\$18,922,993

See Accompanying Notes to Basic Financial Statements

Rossford Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
<u>Governmental Activities:</u>			
Instruction:			
Regular	\$10,924,444	\$340,022	\$86,473
Special	2,422,326	88,453	1,182,178
Vocational	286,183	0	6,654
Adult/Continuing	28,992	0	0
Support Services:			
Pupils	2,133,830	0	5,000
Instructional Staff	1,276,523	0	0
Board of Education	46,075	0	0
Administration	2,075,593	0	0
Fiscal	429,020	0	0
Business	106,393	0	0
Operation and Maintenance of Plant	1,260,924	0	0
Pupil Transportation	1,009,021	0	0
Central	475,466	0	0
Non-Instructional Services	955,916	317,982	560,219
Extracurricular Activities	741,412	223,210	630
Total Governmental Activities	\$24,172,118	\$969,667	\$1,841,154

General Revenues:

Property Taxes Levied for General Purposes
Payment in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Interest
Gifts and Donations
Miscellaneous
Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year - Restated (Note 3)
Net Assets at End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in
Net Assets

Governmental
Activities

(\$10,497,949)
(1,151,695)
(279,529)
(28,992)

(2,128,830)
(1,276,523)
(46,075)

(2,075,593)
(429,020)
(106,393)

(1,260,924)
(1,009,021)
(475,466)
(77,715)

(517,572)

(21,361,297)

12,106,298
422,594
8,593,200
25,488
1,352,858
110,667

22,611,105

1,249,808

17,673,185

\$18,922,993

Rossford Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Other Governmental	Total Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$11,224,958	\$274,475	\$11,499,433
Accounts Receivable	11,154	274	11,428
Accrued Interest Receivable	12,393	0	12,393
Interfund Receivable	62,718	0	62,718
Intergovernmental Receivable	2,315	314,227	316,542
Prepaid Items	49,783	0	49,783
Inventory Held for Resale	0	7,067	7,067
Materials and Supplies Inventory	0	2,488	2,488
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	1,214,621	0	1,214,621
Property Taxes Receivable	12,619,077	0	12,619,077
Payment in Lieu of Taxes Receivable	427,400	0	427,400
Total Assets	\$25,624,419	\$598,531	\$26,222,950
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities</u>			
Accounts Payable	\$71,749	\$48,872	\$120,621
Contracts Payable	434,527	0	434,527
Accrued Wages and Benefits Payable	2,458,750	136,673	2,595,423
Interfund Payable	0	62,718	62,718
Intergovernmental Payable	786,992	99,421	886,413
Matured Compensated Absences Payable	105,027	0	105,027
Retainage Payable	61,994	0	61,994
Deferred Revenue	11,131,279	155,372	11,286,651
Total Liabilities	15,050,318	503,056	15,553,374
<u>Fund Balances:</u>			
Reserved for Property Taxes	1,790,126	0	1,790,126
Reserved for Capital Improvements	1,214,621	0	1,214,621
Reserved for Encumbrances	582,602	195,940	778,542
<u>Unreserved, Reported in:</u>			
General Fund	6,986,752	0	6,986,752
Special Revenue Funds (Deficit)	0	(194,663)	(194,663)
Debt Service Fund	0	85,887	85,887
Capital Projects Funds	0	8,311	8,311
Total Fund Balances	10,574,101	95,475	10,669,576
Total Liabilities and Fund Balances	\$25,624,419	\$598,531	\$26,222,950

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Reconciliation of Total Governmental Fund Balances
 to Net Assets of Governmental Activities
 June 30, 2010

Total Governmental Fund Balances \$10,669,576

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds. 9,412,905

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

Accounts Receivable	7,978	
Intergovernmental Receivable	155,372	
Property Taxes Receivable	346,678	
Payment in Lieu of Taxes Receivable	294,350	
		804,378

Some liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds:

Compensated Absences Payable	(1,815,386)	
Separation Benefits Payable	(148,480)	
		<u>(1,963,866)</u>

Net Assets of Governmental Activities \$18,922,993

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Other Governmental	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$12,042,501	\$0	\$12,042,501
Payment in Lieu of Taxes	701,488	0	701,488
Intergovernmental	8,709,442	1,857,600	10,567,042
Interest	25,488	0	25,488
Tuition and Fees	424,996	0	424,996
Extracurricular Activities	12,949	206,498	219,447
Charges for Services	0	317,982	317,982
Gifts and Donations	1,336,057	17,431	1,353,488
Miscellaneous	99,723	53,118	152,841
Total Revenues	<u>23,352,644</u>	<u>2,452,629</u>	<u>25,805,273</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	10,670,970	227,915	10,898,885
Special	1,879,501	489,127	2,368,628
Vocational	279,095	0	279,095
Adult/Continuing	17,698	11,294	28,992
Support Services:			
Pupils	1,739,078	361,318	2,100,396
Instructional Staff	1,077,135	182,232	1,259,367
Board of Education	46,075	0	46,075
Administration	2,026,683	0	2,026,683
Fiscal	425,256	0	425,256
Business	106,262	0	106,262
Operation and Maintenance of Plant	4,412,829	9,063	4,421,892
Pupil Transportation	924,569	9,359	933,928
Central	444,565	26,615	471,180
Non-Instructional Services	32,638	915,778	948,416
Extracurricular Activities	463,470	237,793	701,263
Capital Outlay	11,132	0	11,132
Total Expenditures	<u>24,556,956</u>	<u>2,470,494</u>	<u>27,027,450</u>
Excess of Revenues Under Expenditures	<u>(1,204,312)</u>	<u>(17,865)</u>	<u>(1,222,177)</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	0	44,000	44,000
Transfers Out	(44,000)	0	(44,000)
Total Other Financing Sources (Uses)	<u>(44,000)</u>	<u>44,000</u>	<u>0</u>
Changes in Fund Balances	(1,248,312)	26,135	(1,222,177)
Fund Balances at Beginning of Year - Restated (Note 3)	<u>11,822,413</u>	<u>69,340</u>	<u>11,891,753</u>
Fund Balances at End of Year	<u>\$10,574,101</u>	<u>\$95,475</u>	<u>\$10,669,576</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to Statement of Activities
 For the Fiscal Year Ended June 30, 2010

Changes in Fund Balances - Total Governmental Funds (\$1,222,177)

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

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

Capital Outlay - Nondepreciable Capital Assets	3,207,937	
Capital Outlay - Depreciable Capital Assets	38,302	
Depreciation	<u>(394,586)</u>	
		2,851,653

The book value of capital assets is removed from the capital asset account on the statement of net assets when disposed of resulting in a loss on disposal of capital assets on the statement of activities. (1,349)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Property Taxes	63,797	
Payment in Lieu of Taxes	(278,894)	
Intergovernmental	(133,318)	
Tuition and Fees	3,479	
Miscellaneous	<u>(43,361)</u>	
		(388,297)

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

Compensated Absences Payable	(135,348)	
Separation Benefits Payable	<u>145,326</u>	
		<u>9,978</u>

Change in Net Assets of Governmental Activities \$1,249,808

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		(Under)
<u>Revenues:</u>				
Property Taxes	\$16,327,359	\$11,852,055	\$12,059,985	\$207,930
Payment in Lieu of Taxes	627,400	760,450	568,438	(192,012)
Intergovernmental	9,552,676	9,552,676	8,709,442	(843,234)
Interest	40,000	40,000	34,946	(5,054)
Tuition and Fees	435,500	435,500	423,019	(12,481)
Extracurricular Activities	20,000	20,000	12,949	(7,051)
Gifts and Donations	1,100,000	1,100,000	1,336,057	236,057
Miscellaneous	16,000	16,000	15,884	(116)
Total Revenues	<u>28,118,935</u>	<u>23,776,681</u>	<u>23,160,720</u>	<u>(615,961)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	10,650,757	10,794,015	10,719,623	74,392
Special	2,323,335	2,223,645	1,944,413	279,232
Vocational	275,514	276,266	273,870	2,396
Adult/Continuing	18,000	18,000	17,698	302
Support Services:				
Pupils	3,115,166	3,103,222	1,704,866	1,398,356
Instructional Staff	1,178,958	1,246,098	1,037,559	208,539
Board of Education	60,992	60,992	48,364	12,628
Administration	2,123,838	2,118,883	2,011,985	106,898
Fiscal	430,888	431,691	423,602	8,089
Business	125,150	125,386	104,530	20,856
Operation and Maintenance of Plant	3,089,014	3,097,850	4,873,731	(1,775,881)
Pupil Transportation	1,312,691	1,312,917	909,346	403,571
Central	439,992	452,019	472,076	(20,057)
Non-Instructional Services	110,057	110,057	33,623	76,434
Extracurricular Activities	459,625	475,359	461,274	14,085
Capital Outlay	5,000	5,000	11,132	(6,132)
Total Expenditures	<u>25,718,977</u>	<u>25,851,400</u>	<u>25,047,692</u>	<u>803,708</u>
Excess of Revenues Over (Under) Expenditures	<u>2,399,958</u>	<u>(2,074,719)</u>	<u>(1,886,972)</u>	<u>187,747</u>
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	60,000	60,000	88,933	28,933
Refund of Prior Year Receipts	(500)	(500)	0	500
Advances In	15,000	15,000	14,550	(450)
Advances Out	(14,500)	(14,500)	(62,718)	(48,218)
Transfers Out	(95,000)	(90,000)	(44,000)	46,000
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(30,000)</u>	<u>(3,235)</u>	<u>26,765</u>
Changes in Fund Balance	2,364,958	(2,104,719)	(1,890,207)	214,512
Fund Balance at Beginning of Year	12,887,378	12,887,378	12,887,378	0
Prior Year Encumbrances Appropriated	299,875	299,875	299,875	0
Fund Balance at End of Year	<u>\$15,552,211</u>	<u>\$11,082,534</u>	<u>\$11,297,046</u>	<u>\$214,512</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$54,684	\$65,261
Investments	0	110
Total Assets	54,684	\$65,371
<u>Liabilities:</u>		
Undistributed Assets	0	\$9,728
Due to Students	0	55,643
	0	\$65,371
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$54,684	

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Statement of Change in Fiduciary Net Assets
 Private Purpose Trust Fund
 For the Fiscal Year Ended June 30, 2010

	Private Purpose Trust
<u>Additions:</u>	
Gifts and Donations	\$4,125
 <u>Deductions:</u>	
Non-Instructional Services	5,950
Change in Net Assets	(1,825)
Net Assets at Beginning of Year	56,509
Net Assets at End of Year	\$54,684

See Accompanying Notes to the Basic Financial Statements

Note 1 - Description of the School District and Reporting Entity

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

The School District is the 292nd largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred-seventeen classified employees, one hundred forty-three certified teaching personnel, and eighteen administrative employees who provide services to one thousand eight hundred eighty-three students and other community members. The School District currently operates five instructional buildings.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Rossford Exempted Village School District.

The School District’s reporting entity includes the following:

Non-Public School - Within the School District’s boundaries, All Saints is operated as a private school. Current State legislation provides funding to the parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity is reflected in a special revenue fund of the School District.

The School District participates in three jointly governed organizations, three insurance pools, and a related organization. These organizations are the Northwest Ohio Computer Association, Penta Career Center, Northwestern Ohio Educational Research Council, Inc., Ohio School Plan, Wood County Schools Benefit Plan Association, Ohio School Boards Association Worker’s Compensation Group Rating Plan, and the Rossford Public Library. These organizations are presented in Notes 19, 20, and 21 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (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 School District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include 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 requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are reported in two categories, governmental and fiduciary.

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the School District 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 School District's only major governmental fund is the General Fund.

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 to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

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 School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for various non-instructional faculty-related activities and student-managed activities.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 fund financial statements for governmental funds.

Note 2 - Summary of Significant Accounting Policies (continued)

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Note 2 - Summary of Significant Accounting Policies (continued)

Expenses/Expenditures

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

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. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is at the fund, function, and object level for all funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriations resolution is subject to amendment throughout the fiscal year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2010, investments consisted of nonnegotiable certificates of deposit, common stock, and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

Note 2 - Summary of Significant Accounting Policies (continued)

The School District allocates interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2010 was \$25,488, which includes \$578 assigned from other School District funds.

Investments of the School District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption and donated and purchased food.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements.

J. Capital Assets

All of the School District's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of two thousand dollars. 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 capitalized.

Note 2 - Summary of Significant Accounting Policies (continued)

All 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>	<u>Useful Lives</u>
Land Improvements	15-50 years
Buildings and Building Improvements	10 - 110 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 20 years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities are eliminated on the statement of net assets.

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated unpaid leave are paid.

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year.

Note 2 - Summary of Significant Accounting Policies (continued)

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and federal and state grants. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Fund Balance Reserves

The School District reserves those portions of fund balance 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 which is available for appropriation in future periods. Fund balance reserves have been established for property taxes, capital improvements, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

P. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

Q. Estimates

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

Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets

A. Change in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in the economic resources measurement focus financial statements. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and the participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any changes to the financial statements.

GASB Statement No. 58 provides 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. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any changes to the financial statements.

B. Restatement of Fund Balance/Net Assets

In fiscal year 2010, the School District changed the accounting treatment applied to the receivable for payment in lieu of taxes. Based on guidance from GASB, this receivable is presently considered a non-exchange transaction and a one year receivable is being recorded. In prior years, this was considered an exchange transaction and the entire receivable was recognized in the initial year. In addition, the School District changed the classification of a fund.

	General	Other Governmental	Total Governmental Funds
Fund Balance at June 30, 2009	\$11,822,256	\$69,340	\$11,891,596
Change in Fund Structure	157	0	157
Restated Fund Balance at June 30, 2009	\$11,822,413	\$69,340	\$11,891,753

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets (continued)

The restatement had the following effect on net assets.

	Total Governmental Activities
Net Assets at June 30, 2009	\$19,536,584
Change in Fund Structure	157
Payment in Lieu of Taxes Receivable	(1,863,556)
Adjusted Net Assets at June 30, 2009	\$17,673,185

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2010, the Food Service, Title VI-B, Fiscal Stabilization, Title I, Early Childhood Preschool, Title II-A, and Miscellaneous Federal Grants special revenue funds had deficit fund balances, in the amount of \$81,159, \$15,117, \$27,017, \$47,183, \$1,297, \$2,068, and \$525, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

At June 30, 2010, the Poverty Based Aid, Title VI-B, Title I, Early Childhood Preschool, and Title II-A special revenue funds had final appropriations in excess of estimated resources plus available balances, in the amount of \$14,280, \$28,712, \$47,463, \$272 and \$35,205, respectively. The Treasurer will monitor appropriations to ensure they are within estimated resources.

The General Fund, and the Food Service, Public School Support, Athletics, Auxiliary Services, Fiscal Stabilization, Title I, Title II-A, and Miscellaneous Federal Grants special revenue funds had certain accounts in which expenditures exceeded appropriations during the fiscal year ended June 30, 2010. The Treasurer will monitor expenditures to ensure they are within amounts appropriated.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 5 - Budgetary Basis of Accounting (continued)

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	(\$1,248,312)
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2009, Received in Cash FY 2010	1,816,218
Accrued FY 2010, Not Yet Received in Cash	(1,941,060)
Expenditure Accruals:	
Accrued FY 2009, Paid in Cash FY 2010	(3,267,246)
Accrued FY 2010, Not Yet Paid in Cash	3,919,039
Cash Adjustments:	
Unrecorded Activity FY 2009	21,855
Unrecorded Activity FY 2010	(4)
Advances In	14,550
Advances Out	(62,718)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(1,142,529)
Budget Basis	(\$1,890,207)

Note 6 - Deposits and Investments

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

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

Note 6 - Deposits and Investments (continued)

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but 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;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers' acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 6 - Deposits and Investments (continued)

Investments

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

	Fair Value	Maturity
Common Stock	\$110	
STAR Ohio	6,079,610	Average 56 days
Total Investments	\$6,079,720	

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of purchase unless they are matched to a specific obligation or debt of the School District.

At June 30, 2010, the School District had \$110, held within a student-managed activity fund (Stock Club), invested by the students in common stock.

STAR Ohio carries a rating of AAAM by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Note 7 - Receivables

Receivables at June 30, 2010, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, property taxes, and payment in lieu of taxes. 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. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
Transportation Reimbursement	\$726
Perrysburg EVSD	1,589
Total General Fund	2,315

(continued)

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 7 – Receivables (continued)

	<u>Amount</u>
Other Governmental Funds	
Food Service	\$953
Auxiliary Service	11,509
Title VI-B	87,350
Title II-D	1,008
Title I	191,218
Title V	450
Early Childhood Preschool	5,767
Title II-A	15,447
State Library LSTA Grant	525
Total Other Governmental Funds	<u>314,227</u>
Total Governmental Activities	<u><u>\$316,542</u></u>

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School 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.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 8 - Property Taxes (continued)

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 tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. 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 School District prior to June 30.

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2010, and for which there was 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 are reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2010, was \$1,790,126 in the General Fund. The amount available as an advance at June 30, 2009, was \$1,807,610 in the General Fund.

Collectible delinquent property taxes have been recorded as a receivable and revenue on a full accrual basis. On a modified accrual basis, the revenue has been deferred.

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

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$202,487,030	56.16%	\$201,958,430	54.08%
Industrial/Commercial	150,863,690	41.85	164,515,780	44.06
Public Utility	7,180,380	1.99	6,961,510	1.86
Total Assessed Value	<u>\$360,531,100</u>	<u>100.00%</u>	<u>\$373,435,720</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 9 - Payment in Lieu of Taxes

According to State law, Wood County, Perrysburg Township, the City of Rossford, and the City of Northwood have entered into agreements with a number of property owners under which these governments have granted property tax exemptions to those property owners. The property owners have agreed to make payments to these governments which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The agreements provide for a portion of these payments to be paid to the School District. The property owners' contractually promise to make these payments in lieu of taxes until the agreements expire.

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance at 6/30/09	Additions	Reductions	Balance at 6/30/10
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,202,221	\$0	\$0	\$1,202,221
Construction in Progress	213,203	3,207,937	(4,438)	3,416,702
Total Nondepreciable Capital Assets	<u>1,415,424</u>	<u>3,207,937</u>	<u>(4,438)</u>	<u>4,618,923</u>
Depreciable Capital Assets				
Land Improvements	1,486,571	0	0	1,486,571
Buildings and Building Improvements	9,538,660	4,438	0	9,543,098
Furniture, Fixtures, and Equipment	1,615,117	13,352	(8,095)	1,620,374
Vehicles	1,525,627	24,950	0	1,550,577
Total Depreciable Capital Assets	<u>14,165,975</u>	<u>42,740</u>	<u>(8,095)</u>	<u>14,200,620</u>
Less Accumulated Depreciation				
Land Improvements	(1,160,023)	(26,061)	0	(1,186,084)
Buildings and Building Improvements	(5,969,885)	(195,291)	0	(6,165,176)
Furniture, Fixtures, and Equipment	(1,238,391)	(81,904)	6,746	(1,313,549)
Vehicles	(650,499)	(91,330)	0	(741,829)
Total Accumulated Depreciation	<u>(9,018,798)</u>	<u>(394,586)</u>	<u>6,746</u>	<u>(9,406,638)</u>
Depreciable Capital Assets, Net	<u>5,147,177</u>	<u>(351,846)</u>	<u>(1,349)</u>	<u>4,793,982</u>
Governmental Activities Capital Assets, Net	<u>\$6,562,601</u>	<u>\$2,856,091</u>	<u>(\$5,787)</u>	<u>\$9,412,905</u>

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 10 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$114,145
Special	29,492
Vocational	2,986
Support Services:	
Pupils	5,289
Instructional Staff	8,263
Administration	42,303
Fiscal	2,635
Operation and Maintenance of Plant	36,325
Pupil Transportation	89,685
Central	1,196
Non-Instructional Services	22,118
Extracurricular Activities	40,149
Total Depreciation Expense	<u><u>\$394,586</u></u>

Note 11 - Interfund Assets/Liabilities

At June 30, 2010, the General Fund had an interfund receivable from other governmental funds, in the amount of \$62,718, for short-term loans made to those funds.

Note 12 - Risk Management

The School 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 School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	\$61,125,659
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total per Year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

Note 12 - Risk Management (continued)

For fiscal year 2010, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The School District pays monthly premiums to the Association for employee medical, dental, vision, and life insurance benefits. The Association is responsible for the management and operations of the program and the payment of all claims. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

For fiscal year 2010, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

Note 13 - Defined Benefit Pension Plans

A. State Teachers Retirement System

Plan Description - The School District contributes to 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 the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

Note 13 - Defined Benefit Pension Plans (continued)

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

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

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the STRS Ohio 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 School District's required contribution for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 was \$1,358,816, \$1,351,165, and \$1,337,818 respectively; 84 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DCP and CP for fiscal year 2010 were \$30,178 made by the School District and \$21,556 made by plan members.

B. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer public employee retirement plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a stand-alone financial report that may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Note 13 - Defined Benefit Pension Plans (continued)

Funding Policy - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salary and the School District was required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School 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 School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 was \$417,311, \$282,824, and \$278,528 respectively; 19 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2010, two of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 14 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description - The School District contributes to a cost-sharing multiple-employer defined benefit Health Care Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the Defined Benefit or Combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which may be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Health Care Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contribution for health care for the fiscal years ended June 30, 2010, 2009, and 2008 was \$106,846, \$104,841, and \$103,984 respectively; 84 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 14 - Postemployment Benefits (continued)

B. School Employees Retirement System

Plan Description - The School District contributes to two cost-sharing multiple-employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians fees through several types of plans including HMO's, PPO's, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2010, .46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2010, the surcharge amount was \$64,887.

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

The School District's contribution for health care for the fiscal years ended June 30, 2010, 2009, and 2008 was \$15,021, \$129,433, and \$127,101 respectively; 19 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 Part B Fund. For fiscal year 2010, this actuarially required allocation was .76 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 was \$24,817, \$23,335, and \$20,069 respectively; 19 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 15 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days, administrative employees earn thirty days, and the superintendent and treasurer earn thirty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to eligible employees upon termination of employment. Teachers do not earn vacation time.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 15 - Other Employee Benefits (continued)

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-eight days for certified employees and two hundred eighty-four days for classified employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave for all employees, except the superintendent and treasurer who are paid for one-third of accrued but unused sick leave.

B. Health Care Benefits

The School District provides medical, dental, vision, and life insurance to all employees through the Wood County Schools Benefit Plan Association. Depending upon the plan chosen, the employees share the cost of monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

C. Separation Benefits

The School District provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System that has five years of service with the School District will be paid a \$15,000 severance bonus plus and an additional \$5,000 for each of the four years following retirement if notification of pending retirement is submitted in writing to the Superintendent no later than April 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2009, the School District had a liability for separation benefits of \$293,806. During fiscal year 2010, the School District paid \$145,326 in separation benefits. At June 30, 2010, the School District had a liability for separation benefits of \$148,480.

Note 16 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2010 were as follows:

	Balance at 6/30/09	Additions	Reductions	Balance at 6/30/10	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Compensated Absences Payable	\$1,680,038	\$406,599	\$271,251	\$1,815,386	\$127,132

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

The School District's overall debt margin was \$33,609,215 with an unvoted debt margin of \$373,436 at June 30, 2010.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 17 - Set Asides

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

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2010.

	Textbooks	Capital Improvements
Balance June 30, 2009	(\$22,816)	\$922,426
Current Year Set Aside Requirement	299,456	299,456
Qualifying Expenditures	(409,133)	(7,261)
Reserve Balance June 30, 2010	(\$132,493)	\$1,214,621

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years.

Note 18 - Interfund Transfers

During fiscal year 2010, the General Fund made transfers to other government funds, in the amount of \$44,000, to subsidize operations of other funds.

Note 19 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities.

The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2010, the School District paid \$138,692 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

Note 19 - Jointly Governed Organizations (continued)

B. Penta Career Center

The Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of eleven members from the participating School Districts' elected Boards. Board members are appointed for a term of two years to serve the sixteen participating school districts. Six members are appointed during the even number years, one each from the Lucas, Ottawa, and Wood County Educational Service Centers, one each from the Bowling Green and Maumee City School Districts, and one from the Rossford Exempted Village School District. Five members are appointed during the odd number years, one each from the Fulton, Lucas, Sandusky, and Wood County Educational Service Centers and one from the Perrysburg Exempted Village School District. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

C. Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools, and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., Box 456, Ashland, Ohio 44805.

Note 20 - Insurance Pools

A. Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from the Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

Note 20 - Insurance Pools (continued)

B. Wood County Schools Benefit Plan Association

The Wood County Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The Association is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, vision, and life insurance to the employees of the participating members. Each participating member's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Medical Mutual of Ohio, P.O. Box 943, Toledo, Ohio 43656.

C. Ohio School Boards Association Workers' Compensation Group Rating Plan

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

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participating members pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 21 - Related Organization

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

Note 22 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

B. Litigation

There are currently no matters in litigation with the School District as defendant.

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2010

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
<i>Non-Cash Assistance (Food Distribution):</i>				
National School Lunch Program	n/a	10.555	\$ 35,115	35,115
<i>Cash Assistance:</i>				
School Breakfast Program	05PU-2010	10.553	50,722	50,722
National School Lunch Program	LLP4-2010	10.555	288,265	288,265
Special Milk Program for Children	n/a	10.556	1,580	1,580
<i>Cash Assistance Subtotal</i>			<u>340,567</u>	<u>340,567</u>
Nutrition Cluster Total			<u>375,682</u>	<u>375,682</u>
Total U.S. Department of Agriculture			<u>375,682</u>	<u>375,682</u>
<u>National Endowment for the Humanities</u>				
<i>(Passed through the State Library of Ohio)</i>				
Library Services and Technology Act Grant	n/a	45.310	<u>38,004</u>	<u>37,896</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Special Education Cluster:				
Special Education - Grants to States	6BSF-2009	84.027	91,134	91,134
Special Education - Grants to States	6BSF-2010	84.027	312,701	331,190
ARRA - Special Education - Grants to States	ARRA-2010	84.391	264,386	285,763
Special Education - Preschool Grants	PGS1-2009	84.173	1,643	1,643
Special Education - Preschool Grants	PGS1-2010	84.173	8,103	10,120
ARRA - Special Education - Preschool Grants	ARRA-2010	84.392	1,817	2,932
Special Education Cluster Total			<u>679,784</u>	<u>722,782</u>
Title I Cluster:				
Title I Grants to Local Educational Agencies	C1S1-2009	84.010	56,425	58,525
Title I Grants to Local Educational Agencies	C1S1-2010	84.010	157,033	172,655
ARRA - Title I Grants to Local Educational Agencies	ARRA-2010	84.389	18,457	14,400
Title I Cluster Total			<u>231,915</u>	<u>245,580</u>
Safe and Drug-Free Schools and Communities	DRS1-2010	84.186	4,923	4,923
State Grants for Innovative Programs	C2S1-2009	84.298	326	326
Education Technology State Grants	TJS1-2009	84.318	257	257
Education Technology State Grants	TJS1-2010	84.318	1,960	2,858
			<u>2,217</u>	<u>3,115</u>
Improving Teacher Quality State Grants	TRS1-2009	84.367	9,651	17,651
Improving Teacher Quality State Grants	TRS1-2010	84.367	52,754	55,952
			<u>62,405</u>	<u>73,603</u>
ARRA - State Fiscal Stabilization Fund	ARRA-2010	84.394	130,638	130,638
Total U.S. Department of Education			<u>1,112,208</u>	<u>1,180,967</u>
Total Federal Awards			<u>\$ 1,525,894</u>	<u>1,594,545</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed.

NOTE C - NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

To the Board of Education
Rossford Exempted Village School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rossford Exempted Village School District (the "School District") as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 30, 2010, wherein we noted a change in an accounting treatment. 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 School District'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 School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility that a material weakness 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the School District'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 that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the School District in a separate letter dated December 30, 2010.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State 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.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 30, 2010

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

To the Board of Education
Rossford Exempted Village School District:

Compliance

We have audited Rossford Exempted Village School District's ("School District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2010. The School District's major federal programs are identified in the summary of auditors' 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 School District's management. Our responsibility is to express an opinion on the School District'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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the School District 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 School District 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 School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State 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.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 30, 2010

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued :	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Significant deficiency(ies) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	no
Identification of major programs:	
<i>Special Education Cluster:</i>	
<i>CFDA 84.027 – Special Education – Grants to States</i>	
<i>CFDA 84.391 – ARRA-Special Education – Grants to States</i>	
<i>CFDA 84.173 – Special Education – Preschool Grants</i>	
<i>CFDA 84.392 – ARRA-Special Education – Preschool Grants</i>	
<i>CFDA 84.394 – ARRA-State Fiscal Stabilization Fund</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

Finding 2010-1 – Audit Adjustment

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error which occurred in the conversion process. Intergovernmental receivables were overstated by \$387,921.

Management response: *Management concurs with the finding.*

Section III – Federal Award Findings and Questioned Costs

None

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
Schedule of Prior Audit Findings
Year Ended June 30, 2010

Financial Statement Findings

Finding 2009-1 – Audit Adjustment

During the course of our audit, we identified a misstatement in the financial statements for the year under audit that was not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustment was necessary to correct an error which occurred in the conversion process. Intergovernmental receivables were understated by \$143,477.

Status: Repeated.

Finding 2009-2 – Restated Financial Statements

The School District restated governmental activities net assets as of June 30, 2008 by (\$392,408) due to errors in reporting related to the receivables for payments in lieu of taxes. Prior period adjustments to financial statements are an indicator of a significant deficiency in internal control over financial reporting.

Status: The School District received clarification guidance from the Governmental Accounting Standards Board during the fiscal year on treatment for receivables from payments in lieu of taxes. A restatement was necessary to account for the transactions as imposed nonexchange transactions instead of exchange transactions. This was not considered to be an indication of inadequate judgment representing a control deficiency.

Federal Award Findings and Questioned Costs

Finding 2009-3 – Special Education Cluster - CFDA No. 84.027 and CFDA No. 87.173

We performed tests to determine if the School District was properly preparing semi-annual certifications for employees that work solely on a specific federal programs to support salaries and wages. We noted these certifications were prepared on an annual basis by the School District rather than semi-annually.

Status: Corrected.



Dave Yost • Auditor of State

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 24, 2011