

Bloom Vernon Local School District

Scioto County

Single Audit

July 1, 2007 through June 30, 2008

Fiscal Year Audited Under GAGAS: 2008



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Board of Education
Bloom Vernon Local School District
10529 Main Street
P.O. Box 237
South Webster, Ohio 45682

We have reviewed the *Independent Auditor's Report* of the Bloom Vernon Local School District, Scioto County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2007 through June 30, 2008. 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 Bloom Vernon Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 6, 2009

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BLOOM VERNON LOCAL SCHOOL DISTRICT
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Ohio Society of Certified Public Accountants

Independent Auditor's Report

Members of the Board
Bloom Vernon Local School District
10529 Main Street
South Webster, Ohio 45682

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bloom Vernon Local School District, (the School District), Scioto County, Ohio, as of and for the year ended June 30, 2008, 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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

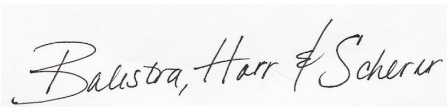
In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2009 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 the Governmental Accounting Standards Board. 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.

Members of the Board
Bloom Vernon Local School District
Independent Auditor's Report
Page 2

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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.

As described in Note 20 to the basic financial statements, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*.



Balestra, Harr & Scherer, CPAs, Inc.

February 20, 2009

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

As management of the Bloom Vernon Local School District, we offer the readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- Net assets of governmental activities decreased \$778,280.
- Total assets of governmental activities decreased by \$590,718. Capital Assets decreased by \$551,977 due to current fiscal year depreciation and deletions exceeding current fiscal year additions. Receivables and other current assets decreased by \$38,741.
- Total liabilities of governmental activities increased by \$187,562. Current liabilities increased by \$253,579 due to an increase in accounts payable, along with increases in accrued wages and benefits payable. Long-term liabilities decreased \$66,017.
- General revenues accounted for \$7,428,936. Program specific revenues in the form of charges for services and sales, grants, contributions and interest accounted for \$2,751,607. Total revenues equaled \$10,000,543.
- The School District had \$10,778,823 in expenses related to governmental activities; only \$2,751,607, of these expenses were offset by program specific charges for services and sales, grants, contributions and interest. General revenues (primarily grants, entitlements and property taxes) of \$7,428,936 were not adequate to provide for these programs.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Bloom Vernon Local School District as a financial whole, 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 the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The major funds for the Bloom Vernon Local School District are the General Fund and the Debt Service Fund.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during 2008?”

The Statement of Net Assets and the Statements of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 7. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

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

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Fiduciary Fund – The School District's only fiduciary fund is an agency fund. We exclude this activity from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for fiscal years 2008 and 2007:

(Table 1)
Net Assets

	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2008</u>	<u>2007</u>	<u>(Decrease)</u>
Assets			
Current Assets	\$3,436,641	\$3,475,382	(\$38,741)
Capital Assets, Net	18,110,531	18,662,508	(551,977)
Total Assets	<u>21,547,172</u>	<u>22,137,890</u>	<u>(590,718)</u>
Liabilities			
Other Liabilities	2,344,372	2,090,793	253,579
Long-Term Liabilities	1,332,306	1,398,323	(66,017)
Total Liabilities	<u>3,676,678</u>	<u>3,489,116</u>	<u>187,562</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	17,435,531	17,897,508	(461,977)
Restricted	1,002,218	1,047,366	(45,148)
Unrestricted (Deficit)	(567,255)	(296,100)	(271,155)
Total Net Assets	<u>\$17,870,494</u>	<u>\$18,648,774</u>	<u>(\$778,280)</u>

Total assets decreased by \$590,718. This was primarily due to a decrease of \$551,977 in capital assets resulting from current fiscal year depreciation and deletions exceeding additions. Current liabilities increased \$253,579 due to an increase in accounts payable, along with increases in accrued wages and benefits payable resulting from increases in salaries and benefits. Long-term liabilities decreased by \$66,017 due to the debt service payments on the General Obligation Bonds offset by an increase in compensated absences.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Invested in Capital Assets, Net of Related Debt for governmental activities decreased by \$461,977 due to current fiscal year depreciation and deletions exceeding additions. Unrestricted net assets decreased \$271,155 resulting from increases in salaries, benefits, and accounts payables.

Table 2 shows the highlights of the School District's revenues and expenses for fiscal years 2008 and 2007. These two main components are subtracted to yield the change in net assets. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, operating and capital grants, contributions, and interest. General Revenues include property taxes, unrestricted grants, such as State foundation support, gain on the sale of capital assets, unrestricted contributions and donations, investment earnings and miscellaneous revenues.

Expenses are shown in programs that are easily identifiable utilizing the current Uniform School Accounting System (USAS) coding structure.

(Table 2)
Change in Net Assets

	Governmental Activities		
	2008	2007	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$988,661	\$1,007,157	(\$18,496)
Operating Grants, Contributions and Interest	1,572,223	1,527,189	45,034
Capital Grants and Contributions	10,723	20,053	(9,330)
Total Program Revenues	<u>2,571,607</u>	<u>2,554,399</u>	<u>17,208</u>
General Revenues:			
Property Taxes	1,181,664	1,088,748	92,916
Grants and Entitlements not Restricted to Specific Programs	6,114,616	5,744,712	369,904
Gain on Sale of Capital Assets	0	1,151	(1,151)
Contributions and Donations	2,000	2,000	0
Investment Earnings	31,563	55,272	(23,709)
Miscellaneous	99,093	62,742	36,351
Total General Revenues	<u>7,428,936</u>	<u>6,954,625</u>	<u>474,311</u>
Total Revenues	<u>\$10,000,543</u>	<u>\$9,509,024</u>	<u>\$491,519</u>

(continued)

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

(Table 2)
Change in Net Assets
(continued)

	Governmental Activities		
	2008	2007	Change
Program Expenses			
Instruction:			
Regular	\$4,602,233	\$4,357,323	\$244,910
Special	1,120,681	1,213,371	(92,690)
Vocational	418	594	(176)
Adult/Continuing	0	507	(507)
Student Intervention Services	260,893	136,471	124,422
Support Services:			
Pupils	352,570	296,376	56,194
Instructional Staff	517,295	513,265	4,030
Board of Education	29,204	29,910	(706)
Administration	799,920	764,223	35,697
Fiscal	250,396	216,143	34,253
Business	47,238	33,511	13,727
Operation and Maintenance of Plant	1,160,895	1,118,617	42,278
Pupil Transportation	826,293	798,916	27,377
Central	9,407	21,216	(11,809)
Operation of Non-Instructional Services:			
Food Service Operations	524,900	523,555	1,345
Other	677	0	677
Extracurricular Activities	191,498	166,269	25,229
Intergovernmental	43,500	38,500	5,000
Interest and Fiscal Charges	40,805	46,658	(5,853)
Total Expenses	<u>10,778,823</u>	<u>10,275,425</u>	<u>503,398</u>
Change in Net Assets	(778,280)	(766,401)	(11,879)
Net Assets at Beginning of Year	<u>18,648,774</u>	<u>19,415,175</u>	<u>(766,401)</u>
Net Assets at End of Year	<u>\$17,870,494</u>	<u>\$18,648,774</u>	<u>(\$778,280)</u>

Governmental Activities

Program revenues increased by \$17,208, which is not significant. Grants and Entitlements not Restricted to Specific Programs increased by \$369,904 related to an increase in State parity aid received during the fiscal year. Grants and Entitlements not Restricted to Specific Programs accounted for \$6,114,616 of revenues for governmental activities. Property tax

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

revenues accounted for \$1,181,664 of revenues for governmental activities for a total of \$7,296,280 of revenue coming from Property Taxes and Grants and Entitlements not Restricted to Specific Programs.

Regular Instruction increased by \$244,910 and Student Intervention Services increased by \$124,422 over the prior fiscal year. These increases resulted primarily from increases in salaries and benefits during the fiscal year.

The School District's Funds

Information about the School District's major funds starts on page 12. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,969,333 and expenditures of \$10,293,359. The net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$250,509, due primarily to an increase in expenditures related to salaries and benefits.

General Fund - Budget Highlights

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

During the course of fiscal year 2008, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund's original and final budgeted amounts is listed on page 16, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, final estimated revenues were \$7,580,073, with original estimated revenues of \$7,325,101. This increase of \$254,972 was due primarily to the School District underestimating State foundation revenues at the beginning of the fiscal year.

Final estimated expenditures were \$7,773,674, while original estimated expenditures were \$7,852,037, a difference of \$78,363. The difference was due to maintenance and transportation expenditures being overestimated at the beginning of the fiscal year.

The School District's ending actual fund balance in the General Fund was \$3,001 over the final budgeted amount.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Capital Assets

At the end of fiscal year 2008, the School District had \$18,110,531 invested in capital assets (net of accumulated depreciation), for a decrease of \$551,977 from the prior fiscal year. The decrease in capital assets was due largely to current fiscal year depreciation and deletions exceeding additions.

See Note 8 of the notes to the basic financial statements for more detailed information.

Debt

At June 30, 2008, the School District had \$675,000 in long-term debt outstanding.

The School District's total legal debt margin was \$4,720,761, with an unvoted debt margin of \$55,773 at June 30, 2008.

See Note 13 of the notes to the basic financial statements for more detailed information.

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 show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Ty Roberts, Treasurer at Bloom Vernon Local School District, P.O. Box 237, South Webster, Ohio 45682, or email ty.roberts@bv.k12.oh.us.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$1,896,375
Materials and Supplies Inventory	5,561
Inventory Held for Resale	4,369
Intergovernmental Receivable	207,233
Prepaid Items	3,450
Property Taxes Receivable	1,319,653
Capital Assets:	
Land	269,130
Depreciable Capital Assets, Net	17,841,401
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<i>Total Assets</i>	21,547,172
	<hr/>
<u>Liabilities:</u>	
Accounts Payable	119,214
Accrued Wages and Benefits Payable	851,429
Intergovernmental Payable	248,527
Accrued Interest Payable	3,194
Matured Compensated Absences Payable	14,629
Deferred Revenue	1,107,379
Long-Term Liabilities:	
Due Within One Year	189,422
Due in More Than One Year	1,142,884
	<hr/>
<i>Total Liabilities</i>	3,676,678
	<hr/>
<u>Net Assets:</u>	
Invested in Capital Assets, Net of Related Debt	17,435,531
Restricted for Debt Service	383,733
Restricted for Capital Projects	286,104
Restricted for Other Purposes	233,294
Restricted for Set-Asides	99,087
Unrestricted (Deficit)	(567,255)
	<hr/>
<i>Total Net Assets</i>	\$17,870,494
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See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2008

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Total Governmental Activities	
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$4,602,233	\$758,388	\$255,730	\$0	(\$3,588,115)
Special	1,120,681	1,276	864,248	0	(255,157)
Vocational	418	0	1,267	0	849
Student Intervention Services	260,893	0	2,335	0	(258,558)
Support Services:					
Pupils	352,570	13,912	6,308	0	(332,350)
Instructional Staff	517,295	0	51,949	0	(465,346)
Board of Education	29,204	0	0	0	(29,204)
Administration	799,920	0	6,085	0	(793,835)
Fiscal	250,396	0	0	0	(250,396)
Business	47,238	0	0	0	(47,238)
Operation and Maintenance of Plant	1,160,895	0	6,085	0	(1,154,810)
Pupil Transportation	826,293	0	40,690	10,723	(774,880)
Central	9,407	0	5,000	0	(4,407)
Operation of Non-Instructional Services:					
Food Service Operations	524,900	171,300	286,326	0	(67,274)
Other	677	43,785	2,700	0	45,808
Extracurricular Activities	191,498	0	0	0	(191,498)
Intergovernmental	43,500	0	43,500	0	0
Interest and Fiscal Charges	40,805	0	0	0	(40,805)
Total Governmental Activities	\$10,778,823	\$988,661	\$1,572,223	\$10,723	(8,207,216)

General Revenues:

Property Taxes Levied for:

General Purposes	1,032,516
Debt Service	76,910
Capital Outlay	51,070
Facility Maintenance	21,168
Grants and Entitlements not Restricted to Specific Programs	6,114,616
Contributions and Donations	2,000
Investment Earnings	31,563
Miscellaneous	99,093

Total General Revenues 7,428,936

Change in Net Assets (778,280)

Net Assets at Beginning of Year 18,648,774

Net Assets at End of Year \$17,870,494

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT

Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$828,833	\$373,168	\$581,536	\$1,783,537
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	112,838	0	0	112,838
Receivables:				
Property Taxes	1,159,729	82,098	77,826	1,319,653
Intergovernmental	69,083	0	138,150	207,233
Interfund	9,256	0	0	9,256
Prepaid Items	3,450	0	0	3,450
Materials and Supplies Inventory	5,561	0	0	5,561
Inventory Held for Resale	0	0	4,369	4,369
<i>Total Assets</i>	<u>\$2,188,750</u>	<u>\$455,266</u>	<u>\$801,881</u>	<u>\$3,445,897</u>
 <u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$113,634	\$260	\$5,320	\$119,214
Accrued Wages and Benefits Payable	616,739	0	234,690	851,429
Intergovernmental Payable	208,746	0	39,781	248,527
Interfund Payable	0	0	9,256	9,256
Matured Compensated Absences Payable	14,629	0	0	14,629
Deferred Revenue	1,117,056	78,846	104,257	1,300,159
<i>Total Liabilities</i>	<u>2,070,804</u>	<u>79,106</u>	<u>393,304</u>	<u>2,543,214</u>
 <u>Fund Balances:</u>				
Reserved for Encumbrances	69,744	0	19,803	89,547
Reserved for Property Taxes	43,419	3,252	2,978	49,649
Reserved for Textbooks and Instructional Materials	14,353	0	0	14,353
Reserved for Capital Acquisitions	84,734	0	0	84,734
Reserved for Bus Purchases	10,723	0	0	10,723
Reserved for Unclaimed Monies	3,028	0	0	3,028
Unreserved, Undesignated (Deficit), Reported in:				
General Fund	(108,055)	0	0	(108,055)
Special Revenue Funds	0	0	127,915	127,915
Debt Service Fund	0	372,908	0	372,908
Capital Projects Funds	0	0	257,881	257,881
<i>Total Fund Balances</i>	<u>117,946</u>	<u>376,160</u>	<u>408,577</u>	<u>902,683</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,188,750</u>	<u>\$455,266</u>	<u>\$801,881</u>	<u>\$3,445,897</u>

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balances \$902,683

*Amounts reported for governmental activities in the
 Statement of Net Assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	269,130	
Other capital assets	26,409,410	
Accumulated depreciation	(8,568,009)	
Total capital assets	18,110,531	18,110,531

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Delinquent property taxes	164,714	
Intergovernmental	27,320	
Accounts	746	
	192,780	192,780

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(675,000)	
Accrued interest on bonds	(3,194)	
Compensated absences	(657,306)	
Total liabilities	(1,335,500)	(1,335,500)

Net Assets of Governmental Activities \$17,870,494

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property Taxes	\$964,708	\$71,835	\$67,547	\$1,104,090
Intergovernmental	5,827,000	10,670	1,904,233	7,741,903
Investment Earnings	27,773	0	3,790	31,563
Tuition and Fees	758,564	0	0	758,564
Extracurricular Activities	0	0	57,397	57,397
Rent	1,100	0	300	1,400
Charges for Sales and Services	0	0	171,300	171,300
Contributions and Donations	4,700	0	69	4,769
Miscellaneous	88,711	0	9,636	98,347
<i>Total Revenues</i>	<u>7,672,556</u>	<u>82,505</u>	<u>2,214,272</u>	<u>9,969,333</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,666,695	0	700,138	4,366,833
Special	512,884	0	525,367	1,038,251
Student Intervention Services	2,835	0	219,594	222,429
Support Services:				
Pupils	305,210	0	24,028	329,238
Instructional Staff	391,505	0	77,393	468,898
Board of Education	29,204	0	0	29,204
Administration	747,749	0	5,354	753,103
Fiscal	227,821	2,939	1,987	232,747
Business	40,105	0	0	40,105
Operation and Maintenance of Plant	1,104,622	0	49,652	1,154,274
Pupil Transportation	721,536	0	28,586	750,122
Central	4,217	0	5,190	9,407
Operation of Non-Instructional Services:				
Food Service Operations	0	0	465,018	465,018
Other	677	0	0	677
Extracurricular Activities	124,179	0	49,859	174,038
Capital Outlay	7,178	0	77,036	84,214
Intergovernmental	43,500	0	0	43,500
Debt Service:				
Principal Retirement	0	90,000	0	90,000
Interest and Fiscal Charges	0	41,301	0	41,301
<i>Total Expenditures</i>	<u>7,929,917</u>	<u>134,240</u>	<u>2,229,202</u>	<u>10,293,359</u>
Excess of Revenues Under Expenditures	<u>(257,361)</u>	<u>(51,735)</u>	<u>(14,930)</u>	<u>(324,026)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	7,323	0	471	7,794
Transfers Out	(471)	0	(7,323)	(7,794)
<i>Total Other Financing Sources (Uses)</i>	<u>6,852</u>	<u>0</u>	<u>(6,852)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(250,509)	(51,735)	(21,782)	(324,026)
<i>Fund Balances at Beginning of Year</i>	<u>368,455</u>	<u>427,895</u>	<u>430,359</u>	<u>1,226,709</u>
<i>Fund Balances at End of Year</i>	<u>\$117,946</u>	<u>\$376,160</u>	<u>\$408,577</u>	<u>\$902,683</u>

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds (\$324,026)

***Amounts reported for governmental activities in the
 Statement of Activities are different because:***

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	133,652	
Depreciation expense	(684,526)	
Excess of depreciation expense over capital outlay		(550,874)

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the costs of capital assets are removed from the capital assets account in the Statement of Net Assets and offset against the proceeds from the sale of capital assets resulting in a loss on the sale of capital assets in the Statement of Activities.

Loss on disposal of capital assets		(1,103)
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Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	77,574	
Intergovernmental	(47,110)	
Accounts	746	
		31,210

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. In the current fiscal year, these amounts consist of:

Bond payments		90,000
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest on the Statement of Activities is the result of the following:

Decrease in accrued interest payable		496
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable		(23,983)
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Change in Net Assets of Governmental Activities (\$778,280)

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2008

	Budget Amounts		Actual	Variance With Final Budget Over/(Under)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,077,282	\$978,767	\$978,767	\$0
Intergovernmental	5,447,385	5,755,585	5,755,585	0
Investment Earnings	26,273	27,759	27,759	0
Tuition and Fees	717,944	758,564	758,564	0
Rent	1,041	1,100	1,100	0
Contributions and Donations	4,448	4,700	4,700	0
Miscellaneous	50,728	53,598	53,598	0
<i>Total Revenues</i>	<u>7,325,101</u>	<u>7,580,073</u>	<u>7,580,073</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	3,430,715	3,587,788	3,587,788	0
Special	518,003	507,474	507,474	0
Student Intervention Services	0	2,826	2,826	0
Support Services:				
Pupils	267,316	303,631	303,631	0
Instructional Staff	494,966	390,758	390,758	0
Board of Education	41,196	27,319	27,319	0
Administration	731,648	738,633	738,633	0
Fiscal	205,001	219,941	219,941	0
Business	29,802	41,514	41,514	0
Operation and Maintenance of Plant	1,126,839	1,061,834	1,058,833	3,001
Pupil Transportation	855,125	748,825	748,825	0
Central	4,972	4,217	4,217	0
Operation of Non-Instructional Services:				
Food Service Operations	7,941	0	0	0
Other	636	677	677	0
Extracurricular Activities	120,122	123,409	123,409	0
Capital Outlay	17,755	14,828	14,828	0
<i>Total Expenditures</i>	<u>7,852,037</u>	<u>7,773,674</u>	<u>7,770,673</u>	<u>3,001</u>
Excess of Revenues Over (Under) Expenditures	<u>(526,936)</u>	<u>(193,601)</u>	<u>(190,600)</u>	<u>3,001</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	6,932	7,323	7,323	0
Advances In	41,478	43,825	43,825	0
Transfers Out	(20,554)	(190)	(190)	0
Advances Out	(45,140)	(9,256)	(9,256)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(17,284)</u>	<u>41,702</u>	<u>41,702</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(544,220)	(151,899)	(148,898)	3,001
<i>Fund Balance at Beginning of Year</i>	865,516	865,516	865,516	0
<i>Prior Year Encumbrances Appropriated</i>	<u>103,362</u>	<u>103,362</u>	<u>103,362</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$424,658</u>	<u>\$816,979</u>	<u>\$819,980</u>	<u>\$3,001</u>

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT

Statement of Fiduciary Assets and Liabilities

Agency Fund

June 30, 2008

Assets:

Equity in Pooled Cash and Cash Equivalents \$26,919

Liabilities:

Undistributed Monies \$26,919

See accompanying notes to the basic financial statements

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District was established in 1968 and serves an area of approximately 84 square miles. It is located in Scioto County, and includes all of the Village of South Webster and portions of Bloom and Vernon Townships. It is staffed by 42 non-certificated employees, 83 certificated full-time teaching personnel and six administrative employees who provide services to 978 students and other community members. The School District currently operates four instructional buildings.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that 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 Bloom Vernon Local School District, this includes general operations, food service, and student related activities of the School District.

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

The School District participates in five organizations, two of which are defined as jointly governed organizations, one as a public entity shared risk pool, and two as insurance purchasing pools. These organizations are the South Central Ohio Computer Association, the Coalition of Rural and Appalachian Schools, the Scioto County Schools Council, the Ohio School Boards Association Workers’ Compensation Group Rating Plan, and the Ohio School Plan. These organizations are presented in Notes 15, 16, and 17 to the basic financial statements.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bloom Vernon Local 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) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide 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. The statements normally distinguish between those activities that are governmental and those that are considered business-type activities. 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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support 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 into 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.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. All funds of the School District fall within two categories, governmental and fiduciary.

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 following are the School District's major governmental funds:

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

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

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 therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has one fiduciary fund, an agency fund, used to account for student activity programs.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and 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 generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statements of the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the 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 Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible 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.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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 a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available for advance, and grants.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been 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 have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, 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 the governmental funds.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the amounts in the amended certificate in effect at the time the final appropriations were passed. Before fiscal year-end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over 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, including all supplemental appropriations. Prior to fiscal year-end, the School District passed a supplemental appropriation that reflected actual expenditures plus encumbrances for the fiscal year for the majority of accounts.

F. Cash and Cash Equivalents

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$27,773, which includes \$14,652 assigned from other School District funds.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments of the 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. The School District had no investments as of June 30, 2008.

G. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and purchased food held for resale.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

I. Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the fiscal year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and Improvements	20 - 40 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	4 - 10 years
Textbooks	10 years

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables”. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. 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 termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Internal Activity

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.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

N. 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, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash equivalents legally required to be set aside by the School District for textbooks and instructional materials, capital acquisitions, and bus purchases, and unclaimed monies held to be reclaimed by the rightful owner. See Note 18 for additional information regarding set-asides.

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, property taxes, textbooks and instructional materials, capital acquisitions, bus purchases, and unclaimed monies.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. Monies not held for the five-year period are presented as reserved.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation 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 music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 - ACCOUNTABILITY

The Poverty Based Assistance, Title VI-B, Title I, Title VI-R, and Miscellaneous Grants Special Revenue Funds had deficit fund balances of \$86,358, \$5,591, \$9,120, \$4,307, and \$59, respectively, as of June 30, 2008. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 4 - 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 and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund.

<u>Net Change in Fund Balance</u>	
GAAP Basis	(\$250,509)
Adjustments:	
Revenue Accruals	(92,469)
Expenditure Accruals	280,876
Unrecorded Cash - FY 08	(59)
Unrecorded Cash - FY 07	45
Transfers	281
Advances	34,569
Encumbrances	<u>(121,632)</u>
Budget Basis	<u><u>(\$148,898)</u></u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits 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.

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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;
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 (STAROhio); 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. Investments may only be made through specified dealers and institutions.

Deposits Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralized individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2008, the School District's bank balance of \$1,525,994 was either covered by FDIC or collateralized by the financial institution's public entity deposit pools in the manner described above.

At June 30, 2008, the School District had no investments.

NOTE 6 - 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 collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 6 - PROPERTY TAXES (continued)

Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007, and are collected in calendar year 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. 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 Scioto 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, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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

The amount available as an advance at June 30, 2008, was \$43,419 in the General Fund, \$3,252 in the Debt Service Fund, and \$2,978 in Other Governmental Funds. The amount available as an advance at June 30, 2007, was \$49,270 in the General Fund, \$3,688 in the Debt Service Fund, and \$3,437 in Other Governmental Funds.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 - PROPERTY TAXES (continued)

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$38,018,990	74.46%	\$43,045,400	76.56%
Public Utility Personal	12,646,870	24.77%	12,680,750	22.55%
General Business Personal	396,804	0.78%	497,787	0.89%
Total Assessed Value	<u>\$51,062,664</u>	<u>100.00%</u>	<u>\$56,223,937</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$28.67		\$28.67	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008, consisted of property taxes, intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year except for property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<u>Governmental Activities:</u>	
Title I	\$59,077
Title II-A	11,527
Title II-D	405
Title VI-B, Special Education IDEA B	23,796
Title VI-B, Rural	7,540
Safe and Drug Free	4,805
Early Childhood Education	31,000
Bureau of Workers' Compensation	690
Excess Costs Reimbursement	68,393
Total Intergovernmental Receivables	<u>\$207,233</u>

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 8 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance at 6/30/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 6/30/08</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated:				
Land	<u>\$269,130</u>	<u>\$0</u>	<u>\$0</u>	<u>\$269,130</u>
Capital Assets Being Depreciated:				
Land Improvements	676,816	41,314	0	718,130
Buildings and Improvements	22,962,019	5,604	0	22,967,623
Furniture, Fixtures and Equipment	1,507,812	68,885	(17,175)	1,559,522
Vehicles	1,048,838	11,000	0	1,059,838
Textbooks	<u>97,448</u>	<u>6,849</u>	<u>0</u>	<u>104,297</u>
Total Capital Assets				
Being Depreciated	<u>26,292,933</u>	<u>133,652</u>	<u>(17,175)</u>	<u>26,409,410</u>
Less Accumulated Depreciation:				
Land Improvements	(96,635)	(25,593)	0	(122,228)
Buildings and Improvements	(5,764,821)	(647,901)	0	(6,412,722)
Furniture, Fixtures and Equipment	(1,060,869)	0	16,072	(1,044,797)
Vehicles	(879,782)	(10,404)	0	(890,186)
Textbooks	<u>(97,448)</u>	<u>(628)</u>	<u>0</u>	<u>(98,076)</u>
Total Accumulated Depreciation	<u>(7,899,555)</u>	<u>(684,526) *</u>	<u>16,072</u>	<u>(8,568,009)</u>
Total Capital Assets Being Depreciated, Net	<u>18,393,378</u>	<u>(550,874)</u>	<u>(1,103)</u>	<u>17,841,401</u>
Governmental Activities Capital Assets, Net	<u>\$18,662,508</u>	<u>(\$550,874)</u>	<u>(\$1,103)</u>	<u>\$18,110,531</u>

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 8 - CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$230,217
Special	71,350
Vocational	418
Student Intervention Services	32,602
Support Services:	
Pupils	23,337
Instructional Staff	54,786
Administration	42,937
Fiscal	15,753
Business	7,133
Operation and Maintenance of Plant	49,879
Pupil Transportation	74,982
Operation of Non-Instructional Services:	
Food Service Operations	63,672
Extracurricular Activities	17,460
Total Depreciation Expense	<u><u>\$684,526</u></u>

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

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 2008, the School District participated in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17). The types and amounts of coverage follow:

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 9 - RISK MANAGEMENT (continued)

Building and Contents - at replacement cost (\$2,500 deductible)	\$60,151,999
Inland Marine Coverage (\$1,000 deductible)	610,000
Flood-Occurrence Limit-Annual Aggregate (\$25,000 deductible)	1,000,000
Earthquake-Occurrence Limit-Annual Aggregate (\$25,000 deductible)	1,000,000
Equipment Breakdown (Broiler/Machinery) Coverage	250,000
Automobile Liability:	
Liability	2,000,000
Auto Medical Payments	5,000
Uninsured Motorists	1,000,000
General Liability:	
Bodily Injury and Property Damage - Each Occurrence and Sexual Abuse Injury - Each Offense	1,000,000
Personal and Advertising Injury - Each Offense	1,000,000
Loss of Electronic Data Limit - Each Incident	50,000
Fire Damage - Any One Event	500,000
Medical Expense - Any One Person	10,000
Medical Expense - Any One Accident	10,000
General Aggregate	3,000,000
Products - Completed Operations Aggregate	1,000,000
Employee Benefits Liability - Claims Made:	
Employee Benefits Injury - Each Offense	1,000,000
Employee Benefits Injury - Aggregate	3,000,000
Employer's Liability - Stop Gap Coverage - State (Ohio):	
Bodily Injury by Accident - Each Accident	1,000,000
Bodily Injury by Disease - Endorsement	1,000,000
Bodily Injury by Disease - Each Employee	1,000,000
Educational Legal Liability - Claims Made (\$10,000 deductible):	
Errors and Omissions Injury - Each Wrongful Act	1,000,000
Errors and Omissions Injury - Aggregate	3,000,000
Employment Practices Injury - Each Wrongful Act	1,000,000
Employment Practices Injury Aggregate	3,000,000
Declaratory, Equitable and Injunctive Relief Defense Aggregate (\$2,500 deductible)	25,000

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 9 - RISK MANAGEMENT (continued)

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change in insurance coverage from last fiscal year.

B. Employee Medical and Dental Benefits

The School District is a member of the Scioto County Schools Council, a public entity shared risk pool (Note 16), offering employee medical and dental insurance to employees of participating school districts within the county. Monthly premiums are paid to the South Central Ohio Educational Service Center as fiscal agent, who in turns pays the claims on the School District's behalf. The Council is responsible for the management and operations of the program. Upon termination from the Council, for any reason, the School District shall have no obligation under the plan beyond paying the difference between the claims incurred (even though later filed) and expenses of the plan due up to the date of termination plus extended benefits, if any, provided under the plan.

C. Workers' Compensation

For fiscal year 2008, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is 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 2008, 9.16 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 contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$102,008, \$113,850 and \$102,412 respectively; 40.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

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

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

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 - DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$561,082, \$513,181, and \$522,078 respectively; 82.89 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$9,990 made by the School District and \$14,824 made by the plan members.

NOTE 11 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's 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 SERS at 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 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 401h. For 2008, 4.18 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 2008, this amount was \$35,800.

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.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$69,234, \$60,080, and \$57,815 respectively; 40.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$7,350, \$7,742, and \$8,151 respectively; 40.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$43,160, \$39,475, and \$40,160 respectively; 82.89 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum payment of 50 days.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 12 - EMPLOYEE BENEFITS (continued)

B. Insurance Benefits

The School District provides health care and dental coverage for its employees through the Scioto County Schools Council, vision coverage through Vision Service Plan, and life insurance through SunLife.

C. Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2008 were as follows:

	Amount Outstanding 6/30/07	Additions	Deductions	Amount Outstanding 6/30/08	Amounts Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds:					
1988 Classroom Facilities General Obligation Bonds - 6.90%	\$110,000	\$0	\$55,000	\$55,000	\$55,000
1998 School Improvement Bonds - 6.25%	655,000	0	35,000	620,000	35,000
Total General Obligation Bonds	765,000	0	90,000	675,000	90,000
Other Long-Term Obligations:					
Compensated Absences	633,323	166,762	142,779	657,306	99,422
Total Governmental Activities Long-Term Obligations	\$1,398,323	\$166,762	\$232,779	\$1,332,306	\$189,422

Classroom Facilities General Obligation Bonds - On November 5, 1988, Bloom Vernon Local School District issued \$1,180,000 in voted general obligation bonds for the purpose of building an addition to the primary school and for the construction of a new high school building. The bonds were issued for a twenty year period with final maturity at December 1, 2008. The bonds will be retired from the Debt Service Fund.

School Improvement Bonds - On December 1, 1998, Bloom Vernon Local School District issued \$865,100 in voted general obligation bonds for the construction of a new elementary school and for an addition to the high school building. The bonds were issued for a twenty-three year period with final maturity at December 31, 2020. The bonds will be retired from the Debt Service Fund.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 13 - LONG-TERM OBLIGATIONS (continued)

Compensated absences will be paid from the General Fund and the Food Service, Early Childhood Education, Poverty Based Assistance, Title VI-B, Title I, and Title II-A Special Revenue Funds.

The School District's overall legal debt margin was \$4,720,761 with an unvoted debt margin of \$55,773 at June 30, 2008.

Principal and interest requirements to retire the general obligation debt at June 30, 2008, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$90,000	\$35,337	\$125,337
2010	35,000	31,335	66,335
2011	40,000	29,170	69,170
2012	40,000	26,880	66,880
2013	40,000	24,600	64,600
2014-2018	245,000	83,650	328,650
2019-2021	185,000	14,690	199,690
Total	<u>\$675,000</u>	<u>\$245,662</u>	<u>\$920,662</u>

NOTE 14 - INTERFUND ACTIVITY

A. Interfund Receivables/Payables

As of June 30, 2008, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Payable	Receivable
		General
Other		
Governmental Funds		<u>\$9,256</u>

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant funds will use these restricted monies to reimburse the General Fund for the initial advance.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 - INTERFUND ACTIVITY (continued)

B. Interfund Transfers

Transfers made during the fiscal year ended June 30, 2008, were as follows:

	Transfers From		
	General	Other Governmental Funds	Total All Funds
Transfers To			
General	\$0	\$7,323	\$7,323
Other Governmental Funds	471	0	471
Total All Funds	\$471	\$7,323	\$7,794

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. A transfer from the General Fund to the Classroom Facilities Capital Projects fund resulted from a prior fiscal year advance that was forgiven during the current fiscal year. A transfer was made from the General Fund to the Emergency Management Information Systems Special Revenue fund in order to cover excess expenditures.

During the fiscal year, a transfer was made from the Miscellaneous Federal Grants Special Revenue fund to the General Fund due to excess funds from a program that ended during the prior fiscal year.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Lawrence, Pike, Ross, Jackson, Vinton, and Scioto Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, and one representative from the fiscal agent. The School District paid SCOCA \$15,968 for membership services provided during the fiscal year. Financial information can be obtained from the fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the “Coalition”) is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various services for School District administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for School District personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District paid \$300 to the Coalition for services provided during the fiscal year.

To obtain financial information, write to Carole Gilkey at Ohio University, 010 Chubb Hall, Athens, Ohio 45701.

NOTE 16 - PUBLIC ENTITY SHARED RISK POOL

Scioto County Schools Council

The School District is a member of the Scioto County Schools Council (the “Council”), a public entity shared risk pool. Several Scioto County school districts have entered into an agreement with the South Central Ohio Educational Service Center to form the Scioto County Schools Council. The overall objectives of the Council are to formulate and administer programs of health and dental insurance for the benefit of the Council members’ employees and their dependents, to obtain lower costs for health and dental coverage, and to secure cost control by implementing a program of comprehensive loss control. The Council’s business and affairs are managed by a Board of Directors, consisting of the superintendents from each of the participating school districts.

The School District pays premiums based on what the Council estimates will cover the costs of all claims for which the Council is obligated. If the School District’s claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District’s claims are low, it will not receive a refund. The Council views its activities in the aggregate, rather than on an individual entity basis. To obtain financial information, write to the fiscal agent, South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 17 - INSURANCE PURCHASING POOLS

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

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

B. Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the OSP to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a thirteen member Board of Directors consisting of school district superintendents and treasurers, as well as Dave Harcum, an independent consultant of the Hylant Administrative Services, LLC, and a partner of the Hylant Administrative Services, LLC. The Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for processing claims.

NOTE 18 - SET-ASIDE CALCULATIONS

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 fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

BLOOM VERNON LOCAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 18 - SET-ASIDE CALCULATIONS (continued)

The following cash basis information describes the change in the fiscal year-end set-aside amounts for textbooks and instructional materials and for capital acquisitions. Disclosure of this information is required by State statute.

	Textbooks and Instructional Materials	Capital Acquisitions
Set-aside Reserve Balance as of June 30, 2007	(\$2,126)	\$46,553
Current Fiscal Year Set-aside Requirement	128,756	128,756
Current Fiscal Year Offsets	0	(78,426)
Qualifying Disbursements	(112,277)	(12,149)
Totals	<u>\$14,353</u>	<u>\$84,734</u>
Set-aside Reserve Balance as of June 30, 2008	<u>\$14,353</u>	<u>\$84,734</u>

NOTE 19 - 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, 2008.

B. Litigation

The School District is not party to any legal proceedings.

NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2008, the District implemented GASB Statement No. 50, “Pension Disclosures-an amendment of GASB Statements No. 25 and No. 27,” and GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.” GASB Statement No. 50 more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. GASB Statement No. 45 establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The application of these new standards had no effect on the financial statements, nor did their implementation require a restatement of prior year balances.

Bloom-Vernon Local School District
Scioto County

Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 2008

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	05PU	10.553	\$ 79,314	\$ -	\$ 79,314	\$ -
National School Lunch Program	LLP4	10.555	176,483	-	176,483	-
Total Nutrition Cluster			255,797	-	255,797	-
Food Donation	N/A	10.550		40,688		40,688
Total United States Department of Agriculture			255,797	40,688	255,797	40,688
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	C1S1	84.010	348,098	-	300,043	-
Special Education - Grants to States	6BSF	84.027	245,179	-	238,771	-
Safe & Drug-Free Schools and Communities - State Grants	DRS1	84.186	2,665	-	7,509	-
State Grants for Innovative Programs	C2S1	84.298	2,516	-	2,516	-
Education Technology State Grants	TJS1	84.318	2,705	-	3,085	-
Rural Education	RUS1	84.358	23,609	-	30,503	-
Improving Teacher Quality State Grants	TRS1	84.367	95,658	-	97,649	-
Total United States Department of Education			720,430	-	680,076	-
<i>Passed Through Job and Family Services:</i>						
Temporary Assistance for Needy Families	NA	93.558	7,323		7,323	
Total Federal Financial Assistance			\$ 983,550	\$ 40,688	\$ 943,196	\$ 40,688

N/A - Not Available

N - Direct from federal agency

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

BLOOM VERNON LOCAL SCHOOL DISTRICT
Notes to Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2008

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTIONS

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the entitlement value of the commodities received.

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

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Bloom Vernon Local School District
10529 Main Street
South Webster, Ohio 45682

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bloom Vernon Local School District, (the School District) Scioto County, as of and for the year ended June 30, 2008, and have issued our report thereon dated February 20, 2009, in which we indicate that the School District implemented GASB Statements No. 45 and No. 50. 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 Comptroller General of the United States' *Government Auditing Standards*.

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 do not opine on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the School District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

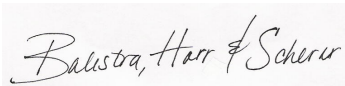
A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the School District's internal control will not prevent a material financial statement misstatement.

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

Compliance and Other Matters

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

This report is intended for the information and use of management, members of the Board, 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.



Balestra, Harr & Scherer, CPAs, Inc.

February 20, 2009

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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Bloom Vernon Local School District
10529 Main Street
South Webster, Ohio 45682

Compliance

We have audited the compliance of the Bloom Vernon School District, (the School District), Scioto County, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the 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 requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

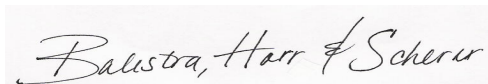
Internal Control Over Compliance (Continued)

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School District's internal control.

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

This report is intended solely for the information and use of management, members of the Board, 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.



Balestra, Harr & Scherer, CPAs, Inc.

February 20, 2009

Bloom Vernon Local School District
 Schedule of Findings and Questioned Costs
 OMB Circular A-133 Section .505
 For the Fiscal Year Ended June 30, 2008

SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies, CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Bloom Vernon Local School District
Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505
For the Fiscal Year Ended June 30, 2008

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

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

BLOOM VERNON LOCAL SCHOOL DISTRICT
SCIOTO 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
MAY 7, 2009