



**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2008



Mary Taylor, CPA
Auditor of State

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

Table of Contents

Title	Page
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet.....	12
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Budgetary Basis) and Actual Comparison - General Fund.....	16
Statement of Fiduciary Net Assets - Fiduciary Fund	17
Notes to the Basic Financial Statements	18
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	45

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Edon Northwest Local School District
Williams County
802 West Indiana Street
Edon, Ohio 43518-9627

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edon Northwest Local School District, Williams County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 23, 2008

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The discussion and analysis of the financial performance of Edon Northwest Local School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- In total, net assets decreased \$1,192,739.
- General revenues accounted for \$5,198,941, or 77 percent of all revenues. Program specific revenues in the form of operating grants and contributions accounted for \$1,569,639, or 23 percent of total revenues of \$6,768,580.
- The District's major funds included the General Fund, the Bond Retirement Fund, and the Classroom Facilities Fund. The General Fund had \$5,421,282 in revenues and other financing sources and \$5,349,090 in expenditures. The General Fund's balance increased \$72,192 from the prior fiscal year. The Bond Retirement Fund had \$597,705 in revenues and other financing sources and \$402,903 in expenditures. The Bond Retirement Fund's balance increased \$194,802 from the prior fiscal year. The Classroom Facilities Fund had \$25,885 in revenues and \$1,345,561 in expenditures and other financing uses. The Classroom Facilities Fund's balance decreased \$1,319,676 from the prior fiscal year.
- The revenue generated from the Bond Retirement Fund is used to pay for the current portion of bonded debt.

Using the Basic Financial Statements

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

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

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other non-major funds presented in total in a single column.

For the District, the General Fund is by far the most significant fund. The General Fund, the Bond Retirement Fund, and the Classroom Facilities Fund are the only three major funds.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

Reporting the District as a Whole

Statement of Net Assets and Statement of Activities

The statement of net assets and the statement of activities reflect how the District did financially during fiscal year 2008. These statements include all assets and liabilities using the accrual basis of accounting similar to which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, the District discloses a single type of activity, its governmental activities, which include all of its programs and services such as instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property tax revenues and from intergovernmental revenues, including federal and state grants and other shared revenues.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. While the District uses many funds to account for its multitude of financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund, the Bond Retirement Fund, and the Classroom Facilities Fund. While the District uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help make this comparison between governmental funds and governmental activities.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

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

The District as a Whole

Table 1 provides a summary of the District's net assets for fiscal year 2008 compared to fiscal year 2007.

Table 1		
Net Assets		
Governmental Activities		
	2008	2007
<u>Assets:</u>		
Current and Other Assets	\$6,658,262	\$7,332,399
Capital Assets, Net	17,985,019	18,385,621
Total Assets	24,643,281	25,718,020
<u>Liabilities:</u>		
Current and Other Liabilities	2,804,185	2,620,118
Long-Term Liabilities	4,022,422	4,088,489
Total Liabilities	6,826,607	6,708,607
<u>Net Assets:</u>		
Invested in Capital Assets, Net of Related Debt	14,514,977	14,740,621
Restricted	1,182,337	2,072,601
Unrestricted	2,119,360	2,196,191
Total	\$17,816,674	\$19,009,413

The net decrease in current and other assets and restricted net assets was primarily due to the closeout of the Classroom Facilities Project. Monies left in this project were distributed to three District funds, with the greatest portion being refunded to the State (\$768,230). The increase in current and other liabilities was attributed to an increase in accrued wages and benefits, accounts payable, and deferred revenue, which was offset by a decrease in matured compensated absences payable.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets for fiscal year 2008 compared to fiscal year 2007.

**Table 2
Change in Net Assets
Governmental Activities**

	2008	2007
<u>Revenues:</u>		
Program Revenues:		
Charges for Services and Sales	\$791,739	\$784,213
Operating Grants and Contributions	777,900	743,655
Total Program Revenues	1,569,639	1,527,868
General Revenues:		
Property Taxes	1,699,894	1,763,913
Grants and Entitlements	3,220,396	3,056,373
Investment Earnings	214,481	257,493
Gifts and Donations	18,348	14,714
Miscellaneous	38,615	43,940
Proceeds from Sale of Capital Assets	685	1,708
Insurance Recoveries	6,522	
Total General Revenues	5,198,941	5,138,141
Total Revenues	6,768,580	6,666,009
<u>Expenses:</u>		
Instruction	3,482,876	3,205,849
Support Services:		
Pupils	278,312	259,971
Instructional Staff	432,633	270,361
Board of Education	13,377	17,790
Administration	516,334	551,461
Fiscal	268,466	238,943
Business	5,421	6,705
Operation and Maintenance of Plant	1,465,985	734,983
Pupil Transportation	451,786	395,757
Central	45,191	39,861
Non-Instructional	324,241	301,692
Extracurricular Activities	337,180	220,055
Capital Outlay	124,927	140,708
Interest and Fiscal Charges	214,590	159,605
Total Expenses	7,961,319	6,543,741
Increase/(Decrease) in Net Assets	(\$1,192,739)	\$122,268

“Charges for Services” program revenues increased primarily due to increase in open enrollment tuition in the General fund. “Operating Grant and Contributions” increased due to an increase in state and federal grants. Total expenses increased by more than 21 percent primarily due to the closeout of the Classroom Facilities Project and to the increase in wages and benefits.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

Governmental Activities

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

**Table 3
Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2008	2008	2007	2007
Instruction	\$3,482,876	\$2,290,134	\$3,205,849	\$2,073,416
Support Services:				
Pupils	278,312	274,658	259,971	257,008
Instructional Staff	432,633	423,963	270,361	264,461
Board of Education	13,377	13,377	17,790	17,790
Administration	516,334	516,334	551,461	546,461
Fiscal	268,466	268,466	238,943	238,943
Business	5,421	5,421	6,705	6,705
Operation and Maintenance of Plant	1,465,985	1,465,985	734,983	734,983
Pupil Transportation	451,786	442,052	395,757	377,167
Central	45,191	36,191	39,861	30,861
Non-Instructional	324,241	50,186	301,692	24,242
Extracurricular Activities	337,180	265,396	220,055	143,523
Capital Outlay	124,927	124,927	140,708	140,708
Interest and Fiscal Charges	214,590	214,590	159,605	159,605
Total Expenses	\$7,961,319	\$6,391,680	\$6,543,741	\$5,015,873

The dependence upon tax revenues and unrestricted state entitlements for governmental activities is apparent. Over 65 percent of instruction activities is supported through taxes and other general revenues. For all governmental activities, support from general revenues is 80 percent. The remaining 20 percent is derived from tuition and fees, specific grants, and donations.

The District's Funds

The District's governmental funds are accounted for using the modified accrual basis of accounting. The District's major governmental funds are the General Fund, the Bond Retirement Fund, and the Classroom Facilities Fund. Total governmental funds had revenues and other financing sources of \$7,409,044 and expenditures and other financing uses of \$8,244,151.

The General Fund's net positive change in fund balance of \$72,192 was primarily attributed to an increase in property and other local taxes and intergovernmental revenues greater than 2.9 percent increase in expenditures. The Bond Retirement's net positive change of \$194,802 in fund balance was primarily attributed to a transfer in of \$151,930 from the Classroom Facilities Fund. The Classroom Facilities Fund's net negative change of \$1,319,676 in fund balance was attributed to the closeout of the Classroom Facilities Project. Monies left in this project were allocated to three District funds, with the greatest portion being refunded to the State (\$768,230).

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2008, the District amended its General Fund budget as needed.

Final budget revenues and other financing sources exceeded actual revenues and other financing sources by \$279,538 (5.4%) primarily due to unexpected increases in revenues for property and other local taxes and intergovernmental revenues.

Final expenditures and other financing uses were budgeted at \$6,305,633 while actual expenditures and other financing uses were \$5,323,100. The \$982,533 difference is primarily due to a conservative "worst case scenario" approach. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the District had \$17,985,019 invested in capital assets (net of accumulated depreciation) for governmental activities which is a decrease of \$400,602 over 2007 which is primarily attributed to depreciation.

For further information regarding the District's capital assets, see the notes to the basic financial statements.

Debt

At June 30, 2008, the District had \$3,470,042 in school improvement general obligation bonds for building improvements to the former high school / middle school building and the new District school building. The bonds were issued for a twenty-three year period, with final maturity on December 1, 2019, and December 1, 2024, respectively. The bonds are being retired through the Bond Retirement Fund.

At June 30, 2008, the District's overall legal debt margin was \$3,135,275, with an un-voted debt margin of \$59,948.

For further information regarding the District's debt, see the notes to the basic financial statements.

Current Issues

The District is holding its own in the state of a declining economy and uncertainty in State funding. Edon Northwest Area is a small rural community of 3,200 people in Northwest Ohio. It has a number of small and medium businesses with agriculture having a contributing influence on the economy.

The District is currently operating in the second year of the state biennium budget. 35.7 percent of District revenue sources are from local funds, 56.7 percent is from state funds, and the remaining 7.6 percent is from federal funds. The total expenditure per pupil was calculated at \$8,352.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

In November 2005, the District renewed a five-year, three mill permanent improvement levy. This levy provides a source of revenue to handle permanent improvements for the District. This frees General Fund revenue to be used for the operation of the District. However, future finances are not without challenges as our community changes and state funding is revised. Some of these challenges are in the future of state funding for schools in light of the DeRolph court case and the long term effects of public utility deregulation, as well as the reduction of personal property for business inventory.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Laura Sauber, Treasurer, Edon Local School District, 802 W Indiana Street, Edon, Ohio 43518-9627.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Statement of Net Assets
June 30, 2008**

		Governmental Activities
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$	4,387,899
Materials and Supplies Inventory		32,256
Accrued Interest Receivable		16,027
Accounts Receivable		5,761
Intergovernmental Receivable		78,272
Prepaid Items		12,502
Taxes Receivable		2,125,545
Non-Depreciable Capital Assets		270,236
Depreciable Capital Assets, net		17,714,783
Total Assets		<u>24,643,281</u>
 LIABILITIES:		
Accounts Payable		159,449
Accrued Wages and Benefits		469,125
Intergovernmental Payable		128,866
Accrued Interest Payable		22,835
Deferred Revenue		2,023,910
Long-Term Liabilities:		
Due Within One Year		279,262
Due in More Than One Year		3,743,160
Total Liabilities		<u>6,826,607</u>
 NET ASSETS:		
Invested in Capital Assets, Net of Related Debt		14,514,977
Restricted for Debt Service		607,316
Restricted for Capital Outlay		246,723
Restricted for Other Purposes		328,298
Unrestricted		2,119,360
Total Net Assets	\$	<u>17,816,674</u>

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**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 and Contributions	Governmental Activities	
Governmental Activities:				
Instruction:				
Regular	\$ 2,632,336	\$ 539,592	\$ 91,216	(2,001,528)
Special	645,784		539,295	(106,489)
Vocational	194,314		22,639	(171,675)
Adult/Continuing	144			(144)
Other	10,298			(10,298)
Support Services:				
Pupils	278,312		3,654	(274,658)
Instructional Staff	432,633		8,670	(423,963)
Board of Education	13,377			(13,377)
Administration	516,334			(516,334)
Fiscal	268,466			(268,466)
Business	5,421			(5,421)
Operation and Maintenance of Plant	1,465,985			(1,465,985)
Pupil Transportation	451,786		9,734	(442,052)
Central	45,191		9,000	(36,191)
Operation of Non-Instructional Services	324,241	180,363	93,692	(50,186)
Extracurricular Activities	337,180	71,784		(265,396)
Capital Outlay	124,927			(124,927)
Debt Service:				
Interest and Fiscal Charges	214,590			(214,590)
Totals	\$ 7,961,319	\$ 791,739	\$ 777,900	(6,391,680)

General Revenues:

Taxes:		
Property Taxes, Levied for General Purposes	1,224,511	
Property Taxes, Levied for Capital Outlay	92,013	
Property Taxes, Levied for Debt Service	358,022	
Property Taxes, Levied for Other	25,348	
Grants and Entitlements not Restricted to Specific Programs	3,220,396	
Gifts and Donations	18,348	
Investment Earnings	214,481	
Miscellaneous	38,615	
Proceeds from Sale of Capital Assets	685	
Insurance Recoveries	6,522	
Total General Revenues	5,198,941	
Change in Net Assets	(1,192,739)	
Net Assets Beginning of Year	19,009,413	
Net Assets End of Year	\$ 17,816,674	

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Balance Sheet
Governmental Funds
June 30, 2008**

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,097,114	\$ 608,135	\$ 682,650	\$ 4,387,899
Materials and Supplies Inventory	23,690		8,566	32,256
Accrued Interest Receivable	16,027			16,027
Intergovernmental Receivable	2,947		75,325	78,272
Accounts Receivable	5,346		415	5,761
Prepaid Items	12,502			12,502
Taxes Receivable	1,552,427	417,701	155,417	2,125,545
Total Assets	\$ <u>4,710,053</u>	\$ <u>1,025,836</u>	\$ <u>922,373</u>	\$ <u>6,658,262</u>
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 16,228		\$ 143,221	\$ 159,449
Accrued Wages and Benefits	428,243		40,882	469,125
Intergovernmental Payable	113,993		14,873	128,866
Matured Compensated Absences Payable	39,262			39,262
Deferred Revenue	1,517,976	\$ 407,125	217,241	2,142,342
	<u>2,115,702</u>	<u>407,125</u>	<u>416,217</u>	<u>2,939,044</u>
Fund Balances				
Reserved:				
Reserved for Encumbrances	17,594		7,354	24,948
Reserved for Inventory	23,690		8,566	32,256
Reserved for Prepaid Items	12,502			12,502
Reserved for Property Taxes	34,451	10,576	3,303	48,330
Unreserved, Undesignated, Reported in:				
General Fund	2,506,114			2,506,114
Special Revenue Funds			251,670	251,670
Debt Service Funds		608,135		608,135
Capital Projects Funds			235,263	235,263
Total Fund Balances	<u>2,594,351</u>	<u>618,711</u>	<u>506,156</u>	<u>3,719,218</u>
Total Liabilities and Fund Balances	\$ <u>4,710,053</u>	\$ <u>1,025,836</u>	\$ <u>922,373</u>	\$ <u>6,658,262</u>

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2008**

Total Governmental Fund Balances	\$	3,719,218
<p>Amounts reported for governmental activities on the statement of net assets are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds.		17,985,019
Other long-term assets are not available to pay for current period expenditures; therefore, they are deferred in the funds:		
Property Taxes Receivable	\$ 53,305	
Intergovernmental Receivable	<u>65,127</u>	
		118,432
Some liabilities are not due and payable in the current period; therefore, they are not reported in the funds:		
Accrued Interest Payable	(22,835)	
General Obligation Bonds Payable	(3,470,042)	
Compensated Absences Payable	<u>(513,118)</u>	
		<u>(4,005,995)</u>
Net Assets of Governmental Activities	\$	<u><u>17,816,674</u></u>

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008**

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>Classroom Facilities Fund</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Property and Other Local Taxes	\$ 1,303,905	\$ 367,200		\$ 125,996	\$ 1,797,101
Intergovernmental	3,360,116	78,575		525,532	3,964,223
Investment Earnings	185,833		\$ 25,885	767	212,485
Increase in Fair Value of Investments	1,996				1,996
Tuition and Fees	506,942			17,069	524,011
Rent	5,400				5,400
Extracurricular Activities	3,134			78,519	81,653
Gifts and Donations	10,299			8,049	18,348
Customer Sales and Services	12			180,663	180,675
Miscellaneous	36,438			2,177	38,615
Total Revenues	5,414,075	445,775	25,885	938,772	6,824,507
EXPENDITURES:					
Current:					
Instruction:					
Regular	2,353,845			48,496	2,402,341
Special	334,336			295,607	629,943
Vocational	166,574			190	166,764
Adult/Continuing	144				144
Other	10,298				10,298
Support Services:					
Pupils	239,719			31,455	271,174
Instructional Staff	312,865			74,939	387,804
Board of Education	13,377				13,377
Administration	497,216			10,107	507,323
Fiscal	238,120	12,580		7,219	257,919
Business	1,125				1,125
Operation and Maintenance of Plant	585,825		768,231	30,679	1,384,735
Pupil Transportation	375,256			145,213	520,469
Central	35,696			9,495	45,191
Operation of Non-Instructional Services	106			267,038	267,144
Extracurricular Activities	183,910			79,692	263,602
Capital Outlay	678			146,467	147,145
Debt Service:					
Principal		240,000			240,000
Interest		150,323			150,323
Total Expenditures	5,349,090	402,903	768,231	1,146,597	7,666,821
Excess of Revenues Over (Under) Expenditures	64,985	42,872	(742,346)	(207,825)	(842,314)
OTHER FINANCING SOURCES AND USES:					
Transfers In		151,930		425,400	577,330
Proceeds from Sale of Capital Assets	685				685
Insurance Recoveries	6,522				6,522
Transfers Out			(577,330)		(577,330)
Total Other Financing Sources and Uses	7,207	151,930	(577,330)	425,400	7,207
Net Change in Fund Balances	72,192	194,802	(1,319,676)	217,575	(835,107)
Fund Balance at Beginning of Year	2,522,159	423,909	1,319,676	288,581	4,554,325
Fund Balance at End of Year	\$ 2,594,351	\$ 618,711	\$	\$ 506,156	\$ 3,719,218

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement Activities
For the Fiscal Year Ended June 30, 2008**

Net Change in Fund Balances - Total Governmental Funds \$ (835,107)

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

Governmental funds report capital outlay as expenditures; however, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current year.

Capital Outlay - Depreciable Capital Assets	\$ 223,393	
Depreciation	<u>(579,737)</u>	(356,344)

The book value of the capital assets is removed from the capital asset account on the statement of net assets when disposed resulted in a loss on disposal of capital assets on the statements of activities.		(44,258)
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Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Intergovernmental	34,073	
Delinquent Property Taxes	<u>(97,207)</u>	(63,134)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		240,000
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Interest charges reported on the statement of activities, that do not require the use of current financial resources, are not reported as expenditures in governmental funds.		(64,267)
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Some expenses reported on the statement of activities, such as compensated absences and intergovernmental payable representing contractually required pension contributions, do not require the use of current financial resources; therefore, they are not reported as expenditures in governmental funds.

Compensated Absences Payable		<u>(69,629)</u>
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Change in Net Assets of Governmental Activities		\$ <u><u>(1,192,739)</u></u>
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See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
GENERAL FUND
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 1,229,477	\$ 1,229,477	\$ 1,368,462	\$ 138,985
Intergovernmental	3,265,300	3,260,398	3,362,667	102,269
Investment Earnings	130,800	130,800	169,806	39,006
Tuition and Fees	515,700	515,700	501,894	(13,806)
Rent	5,000	5,000	5,400	400
Extracurricular Activities	2,800	2,800	3,114	314
Gifts and Donations	5,000	5,000	10,299	5,299
Customer Sales and Services	1,000	1,000	12	(988)
Miscellaneous	32,000	32,000	36,303	4,303
Total Revenues	<u>5,187,077</u>	<u>5,182,175</u>	<u>5,457,957</u>	<u>275,782</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,520,652	2,521,793	2,333,950	187,843
Special	475,995	403,595	333,665	69,930
Vocational	181,930	181,930	165,514	16,416
Adult/Continuing	645	645	144	501
Other	72,500	122,500	10,298	112,202
Support Services:				
Pupils	268,050	278,250	238,217	40,033
Instructional Staff	332,045	336,545	281,247	55,298
Board of Education	21,280	22,089	13,351	8,738
Administration	538,580	543,580	486,487	57,093
Fiscal	262,710	277,210	244,654	32,556
Business	2,650	2,650	1,125	1,525
Operation and Maintenance of Plant	867,129	866,829	612,976	253,853
Pupil Transportation	470,229	476,877	381,881	94,996
Central	38,650	41,650	35,049	6,601
Operation of Non-Instructional Services	200	200	130	70
Extracurricular Activities	198,790	198,790	183,426	15,364
Capital Outlay	22,500	19,500	678	18,822
Total Expenditures	<u>6,274,535</u>	<u>6,294,633</u>	<u>5,322,792</u>	<u>971,841</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,087,458)</u>	<u>(1,112,458)</u>	<u>135,165</u>	<u>1,247,623</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Fixed Assets	1,000	1,000	685	(315)
Insurance Recoveries			6,522	6,522
Refund of Prior Year Expenditures	2,500	2,500	49	(2,451)
Advances Out	(25,000)	(10,000)		10,000
Other Financing Uses	(1,000)	(1,000)	(308)	692
Total Other Financing Sources and Uses	<u>(22,500)</u>	<u>(7,500)</u>	<u>6,948</u>	<u>14,448</u>
Net Change in Fund Balances	(1,109,958)	(1,119,958)	142,113	1,262,071
Fund Balance at Beginning of Year	2,900,463	2,900,463	2,900,463	
Prior Year Encumbrances Appropriated	6,127	6,127	6,127	
Fund Balance at End of Year	<u>\$ 1,796,632</u>	<u>\$ 1,786,632</u>	<u>\$ 3,048,703</u>	<u>\$ 1,262,071</u>

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008**

	<u>Agency Fund</u>
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ <u>20,505</u>
Liabilities	
Current Liabilities:	
Undistributed Monies	\$ <u>20,505</u>

See Accompanying Notes to the Basic Financial Statements

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Edon Northwest Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by §3311.22 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

The Board oversees the operations of the District's two instructional/support facilities staffed by 26 non-certified and 48 certified full-time teaching personnel who provide services to 708 students and other community members.

The Reporting Entity

A. Primary Government

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

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District, and are significant in amount to the District. The District does not have any component units.

C. Jointly Governed Organizations and Purchasing Pools

The District is associated with eight organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, the Northwestern Ohio Educational Research Council, Inc., the Northwest Ohio Special Education Regional Resource Center, the Northwest Ohio Regional Professional Development Center, the Northern Buckeye Education Council's Employee Insurance Benefits Program, and the Northern Buckeye Education Council Workers' Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 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. Following are the more significant of the District's accounting policies.

A. Basis of Presentation

The 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 District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

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

B. Fund Accounting

The 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 District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Governmental Funds

Governmental funds focus 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 General Fund, Bond Retirement Fund, and the Classroom Facilities Fund are the District's major governmental funds:

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

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

Classroom Facilities Fund - The Classroom Facilities Fund is used to account for the revenues and expenditures related to the construction of new school building.

The other governmental funds of the District account for grants and other resources and capital projects of the District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary funds of the District consist of agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for various student managed activities.

C. Measurement Focus

Government-Wide Financial Statements

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

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases 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 collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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

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

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 been reported as deferred revenue.

Expenditures/Expenses

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

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The primary level of budgetary control is at the object level within the General Fund and the fund level for all other funds. Any budgetary modifications at this level may only be made by the Board of Education.

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

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

During fiscal year 2008, investments were limited to federal agency securities, a money market mutual fund, and STAR Ohio. Investments in federal securities are reported at fair value which is based on quoted market prices. The District's money market mutual fund is recorded at the amount reported by Robert W. Baird and Company at June 30, 2008. The District also had invested in commercial paper during 2008.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2008.

As authorized by Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$185,833 and \$53,036, which were assigned from other District funds.

G. Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure when purchased. Inventories in governmental funds consist of expendable supplies held for consumption, donated foods, and purchased foods.

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District's capitalization threshold is one thousand dollars. The 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, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 - 30 years
Buildings and Building Improvements	30 - 50 years
Furniture and Fixtures	5 - 20 years
Vehicles	5 - 15 years
Equipment	10 years

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

I. 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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

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

For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "mature compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

J. 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, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

K. 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 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, music and athletic programs, and federal and state grants restricted to cash disbursements for specified purposes. There were no net assets restricted by enabling legislation.

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

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

L. Prepaid Items

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

M. Fund Balance Reserves

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

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

N. Interfund Assets/Liabilities

On the fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities are eliminated on the government-wide financial statements.

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

O. 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.

P. Pass-Through Grants

The Special Education Preschool special revenue grant is a pass-through grant in which the Northwest Ohio Educational Service Center is the primary recipient. In accordance with GASB Statement 24, "Accounting and Financial Reporting of Certain Grants and Other Financial Assistance," the secondary recipients should report monies spent on their behalf by the primary recipient as revenue and operating expenses.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

3. ACCOUNTABILITY

The Management Information System and the Special Education Grants to States funds had deficit fund balances of \$79 and \$585, respectively, at June 30, 2008. These fund balances complied with Ohio state law which does not permit a cash basis deficit fund balance at year-end. The General fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

4. BUDGETARY BASIS OF ACCOUNTING

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

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).

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

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING – (Continued)

Net Change in Fund Balance Major Governmental Fund	
GAAP Basis	\$72,192
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2007, Received In Cash FY 2008	131,698
Accrued FY 2008, Not Yet Received in Cash	(88,124)
Expenditure Accruals:	
Accrued FY 2007, Paid in Cash FY 2008	(516,129)
Accrued FY 2008, Not Yet Paid in Cash	561,842
Encumbrances Outstanding at Year End (Budget Basis)	(19,366)
Budget Basis	\$142,113

5. DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Board 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 monies are those monies that 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 District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

5. DEPOSITS AND INVESTMENTS – (Continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the agreement by at least two percent and to be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if trading requirements have been met.

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

At year end, the District had \$100 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents.”

Investments

As of June 30, 2008, the District had the following investments and maturities.

<u>Investment Type</u>	<u>Balance at Fair Value</u>	<u>Less Than One Year</u>	<u>One to Two Years</u>
Federal Home Loan Bank (FHLB) Notes	\$1,148,089	\$1,048,059	\$100,030
Federal Home Loan Bank (FHLB) Discount Note	158,141	158,141	
Federal Home Loan Mortgage Association (FHLMA) Notes	285,522	285,522	
Federal Home Loan Mortgage Association (FHLMA) Discount Note	160,644	160,644	
Federal National Mortgage Association (FNMA) Discount Note	174,982	174,982	
Total Investments	<u><u>\$1,927,378</u></u>	<u><u>\$1,827,348</u></u>	<u><u>\$100,030</u></u>

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

5. DEPOSITS AND INVESTMENTS – (Continued)

Interest Rate Risk - The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily.

Credit Risk – The following investments carry the highest ratings by Moody’s and Standard and Poor’s:

Investment Type	Moody’s	Standard & Poor’s
Federal Home Loan Bank (FHLB) Notes	Aaa	AAA
Federal Home Loan Bank (FHLB) Discount Notes	P-1	A-1+
Federal Home Loan Mortgage Association (FHLMA) Notes	Aaa	AAA
Federal Home Loan Mortgage Association (FHLMA) Discount Notes	Aaa	AAA
Federal National Mortgage Association (FNMA) Discount Notes	Aaa	AAA
United States Treasury Money Market Fund	Aaa	AAA
STAR Ohio		AAAm

Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal Home Loan Bank Notes and Discount Notes; Federal Home Loan Mortgage Association Notes and Discount Notes; and Federal National Mortgage Association District Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the District’s name. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer, however state statute limits investments in commercial paper and bankers’ acceptances to 25 percent of the interim monies available for investment at any one time. The District’s investment in Federal Home Loan Bank Notes; Federal Home Loan Bank Discount Notes; Federal Home Loan Mortgage Association Notes; Federal Home Loan Mortgage Association Discount Notes; and Federal National Mortgage Association Discount Notes represent 29 percent, 4 percent, 7 percent, 4 percent, and 4 percent, respectively of the District’s total investments.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Real property taxes for 2008 were levied after April 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2008 were levied after April 1, 2007, on the assessed values as of December 31, 2006, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2008 (other than public utility property) represent the collection of calendar year 2008 taxes. Tangible personal property taxes for 2008 were levied after April 1, 2007, on the value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The District receives property taxes from Williams County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 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 represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which were 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, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2008 operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue.

The amount available as an advance at June 30, 2008, was \$34,451 in the General Fund, \$10,576 in the Bond Retirement Fund, \$2,533 in the Permanent Improvement Fund, and \$770 in the Classroom Facilities Fund. The amount available as an advance at June 30, 2007, was \$99,008 in the General Fund, \$17,370 in the Bond Retirement Fund, \$8,685 in the Permanent Improvement Fund, and \$1,737 in the Classroom Facilities Fund.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

6. PROPERTY TAXES – (Continued)

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

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$51,388,750	77%	\$52,058,180	78%
Industrial/Commercial	6,121,110	9%	6,216,920	9%
Public Utility	2,640,290	4%	2,116,570	3%
Tangible Personal	6,568,230	10%	6,173,500	10%
Total Assessed Value	<u>\$66,718,380</u>	<u>100%</u>	<u>\$66,565,170</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$45.65		\$45.65	

7. RECEIVABLES

Receivables at June 30, 2008, consisted of property, accounts (rent and student fees), and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
General Fund	\$2,947
Special Education Grants to States Fund	1,615
Grants to Local Education Agencies Fund	47,926
Title II-A Fund	25,784
Total Intergovernmental Receivables	<u>\$78,272</u>

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

8. CAPITAL ASSETS

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

	<u>Balance at 6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/08</u>
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$248,018	\$22,218		\$270,236
Total Nondepreciable Capital Assets	<u>248,018</u>	<u>22,218</u>		<u>270,236</u>
Depreciable Capital Assets				
Land Improvements	396,674			396,674
Buildings and Building Improvements	18,354,758	113,260		18,468,018
Furniture, Fixtures, and Equipment	1,216,695	17,120	(\$98,195)	1,135,620
Vehicles	1,008,775	70,795	(111,461)	968,109
Total Depreciable Capital Assets	<u>20,976,902</u>	<u>201,175</u>	<u>(209,656)</u>	<u>20,968,421</u>
Less Accumulated Depreciation				
Land Improvements				
Buildings and Building Improvements	(1,190,165)	(383,029)		(1,573,194)
Furniture, Fixtures, and Equipment	(958,321)	(115,472)	98,499	(975,294)
Vehicles	(690,813)	(81,236)	66,899	(705,150)
Total Accumulated Depreciation	<u>(2,839,299)</u>	<u>(579,737)</u>	<u>165,398</u>	<u>(3,253,638)</u>
Depreciable Capital Assets, Net	<u>18,137,603</u>	<u>(378,562)</u>	<u>(44,258)</u>	<u>17,714,783</u>
Governmental Activities Capital Assets, Net	<u>\$18,385,621</u>	<u>(\$356,344)</u>	<u>(\$44,258)</u>	<u>\$17,985,019</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$211,734
Special	12,395
Vocational	25,647
Support Services:	
Pupil	5,396
Instructional Staff	48,311
Administration	16,220
Fiscal	4,681
Business	4,296
Operation and Maintenance of Plant	51,279
Pupil Transportation	69,138
Operation of Non-Instructional Services	56,409
Extracurricular Activities	74,231
Total Depreciation Expense	<u>\$579,737</u>

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

9. RISK MANAGEMENT

A. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Education Council Employee Insurance Benefits Program (the Program), a public entity shared risk pool consisting of districts within Defiance, Fulton, Henry, and Williams counties and other eligible governmental entities. The District pays monthly premiums to the Northern Buckeye Education Council for the benefits offered to its employees, which includes health, dental, and life insurance plans. The Northern Buckeye Education Council is responsible for the management and operations of the program. The agreement for the Program provides for additional assessments to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from the Program, a participant is responsible for any claims not processed and paid and any related administrative costs.

B. Workers' Compensation Group Program

The District participates in the Northern Buckeye Education Council Workers' Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 16). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

C. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90 percent coinsured. Settled claims have not exceeded the amount of commercial coverage in any of the past three years, and there has been no significant reduction in the amount of insurance coverage's from last year.

10. DEFINED PENSION BENEFIT PLANS

A. School Employee Retirement System

Plan Description - The 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.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

10. DEFINED PENSION BENEFIT PLANS – (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.82 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007, and 2006, were \$98,564, \$104,515 and \$101,157 respectively; 59 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

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

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. 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.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

10. DEFINED PENSION BENEFIT PLANS – (Continued)

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006, were \$384,551, \$360,518, and \$351,604 respectively; 86 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

11. POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System 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 the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

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 \$12,070.

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006, were \$54,025, \$44,367, and \$44,409 respectively; 59 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 B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008 and 2007 was \$6,624 and \$6,654, respectively; 59 percent has been contributed for fiscal year 2008 and 100 percent for fiscal year 2007.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

11. POSTEMPLOYMENT BENEFITS – (Continued)

B. State Teachers Retirement System

Plan Description – The 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 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$29,581, \$27,732, and \$27,046 respectively; 86 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2007, (the latest information available) the balance in the Fund was \$4.1 billion. For the year ended June 30, 2007, net health care costs paid by STRS were \$265,558,000 and STRS has 122,934 eligible benefit recipients.

12. COMPENSATED ABSENCES

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Eleven employees with one or more years of service are entitled to vacation ranging from 10 to 20 days. Certain employees are permitted to carry over vacation leave earned in the current year into the next year.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to thirty percent of their accumulated sick leave balance, which cannot exceed 213 days. The maximum payout is 63.9 days.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

13. LONG-TERM OBLIGATIONS

During the year ended June 30, 2008, the following changes occurred in obligations reported in the Government-Wide Financial Statements:

	Balance at 06/30/07	Additions	Deductions	Balance at 06/30/08	Due Within One Year
General Obligation Bonds, Series 1997:					
Serial - 4% - 5.1%	\$ 35,000		\$ 35,000		
Term - 5.35% - 6%	700,000			\$ 700,000	\$ 40,000
Total G.O.B, Series 1997	<u>735,000</u>		<u>35,000</u>	<u>700,000</u>	<u>40,000</u>
General Obligation Bonds, Series 2001					
Serial - 3% - 4%	<u>625,000</u>		<u>115,000</u>	<u>510,000</u>	<u>120,000</u>
General Obligation Bonds, Series 2006					
Serial - 4% - 5.1%	135,000			135,000	
Term - 5.35% - 6%	2,085,000		90,000	1,995,000	80,000
Capital Appreciation Bonds	65,000	65,042		130,042	
Total G.O.B, Series 2006	<u>2,285,000</u>	<u>65,042</u>	<u>90,000</u>	<u>2,260,042</u>	<u>80,000</u>
Compensated Absences	<u>443,489</u>	<u>108,891</u>		<u>552,380</u>	<u>39,262</u>
Total Long-Term Obligations	<u>\$ 4,088,489</u>	<u>\$ 173,933</u>	<u>\$ 240,000</u>	<u>\$ 4,022,422</u>	<u>\$ 279,262</u>

Debt outstanding at June 30, 2008 consisted of 1997 general obligation bonds totaling \$700,000; 2001 general obligations bonds totaling \$510,000; and 2006 general obligation bonds totaling \$2,260,042. The 1997 bonds were issued in August 1997 and will mature in December 2019. The 2001 bonds were issued in October 2001. The general obligation bonds were issued in August 2006 and will mature in December 2024. A substantial portion of these outstanding bonds were refunded in August 2006. The remaining bonds from the 2001 issuance will mature in December 2011.

School Improvement Bonds – 1997

The District issued \$950,000 in voted general obligation bonds to finance the construction of an addition to the former Edon school building. The bonds were issued on April 12, 1997. The bond issued included \$250,000 in serial bonds and \$700,000 in term bonds. The bonds will be retired with a voted property tax levy from the Bond Retirement fund. The final serial bond matured on December 1, 2007 with an interest rate of 5.10% and principal amount of \$35,000.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

13. LONG-TERM OBLIGATIONS – (Continued)

The term bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption in part by lot and are redeemed pursuant to mandatory sinking fund requirements at a redemption price of 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, on the applicable mandatory redemption dates and in the principal amounts payable on those dates set forth in the Certificate of Award.

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$225,000	5.35%
2019	475,000	6.00%

School Improvement Bonds – 2001

The District issued \$3,600,000 in voted general obligation bonds for the purpose of constructing, renovation, and improving existing school facilities and related site development. The bonds were issued on October 15, 2001. The bond issued included \$1,150,000 in serial bonds and \$2,450,000 in term bonds. The bonds will be retired with a voted property tax levy from the Bond Retirement fund.

The serial bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	120,000	3.70%
2009	125,000	4.00%
2010	130,000	4.00%
2011	135,000	4.00%

The term bonds were redeemed with the proceeds from the advance refunding bond issue in August 2006.

School Improvement Bonds – 2006

The District issued \$2,450,000 in general obligation bonds for the purpose advance refunding of the School Improvement Bonds – 2001 term bonds. The bonds were issued on August 22, 2006. The bond issue included \$300,000 in serial bonds, \$2,085,000 in term bonds, and \$65,000 in capital appreciation bonds. The bonds will be retired with a voted property tax levy from the Debt Service fund

The serial bonds shall bear interest at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$135,000	4.00%

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

13. LONG-TERM OBLIGATIONS – (Continued)

The current interest term bonds which mature on December 1, 2008, December 1, 2012, December 1, 2015, December 1, 2020, December 1, 2022, and December 1, 2024, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest, to the date of redemption, on the applicable mandatory redemption dates in the principal amounts payable on those dates set forth in the Certificate of Award.

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2008	80,000	3.65%
2012	295,000	3.70%
2015	290,000	4.00%
2020	400,000	4.00%
2022	450,000	4.125%
2024	480,000	4.125%

The capital appreciation bonds were issued in the aggregate original principal amount of \$65,000 and mature on January 15 in the years, have the original principal amounts and mature with the accreted values at maturity, as follows:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Accreted Value at Maturity</u>
2016	\$25,000	\$165,000
2017	20,000	170,000
2018	20,000	175,000

The value of the capital appreciation bonds reported at June 30, 2008, was \$130,042. The annual accretion of interest is based on the straight-line method. A total accreted interest of \$65,042 has been included in the value. The bonds are being retired through the Bond Retirement fund.

Total expenditures for interest toward the school improvement bonds for the period ended June 30, 2008, was \$150,323.

The scheduled payments of principal and interest on debt outstanding at June 30, 2008, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 240,000	\$ 141,025	\$ 381,025
2010	245,000	131,225	376,225
2011	265,000	120,707	385,707
2012	190,000	111,107	301,107
2013	170,000	103,420	273,420
2014-2018	834,417	595,396	1,429,813
2019-2023	1,045,625	329,675	1,375,300
2024-2025	480,000	20,212	500,212
Total	<u>\$ 3,470,042</u>	<u>\$ 1,552,767</u>	<u>\$ 5,022,809</u>

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

14. SET-ASIDE CALCULATIONS

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

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

	Textbooks	Capital Acquisition	Totals
Set-aside Cash Balance as of June 30, 2007	(\$5,489)		(\$5,489)
Current Year Set-aside Requirement	103,738	\$103,738	207,476
Current Year Offsets		(147,187)	(147,187)
Qualifying Disbursements	(142,608)		(142,608)
Total	(44,359)	(\$43,449)	(\$87,808)
Cash Balance Carried Forward to FY 2009	(\$44,359)		(\$44,359)

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

15. JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public districts within the boundaries of Defiance, Fulton, Henry, and Williams counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Total disbursements made by the District to NBEC during fiscal year 2008 were \$35,885. Financial information can be obtained from Robin Pfund, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

15. JOINTLY GOVERNED ORGANIZATIONS – (Continued)

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. To obtain financial information write to the Northern Buckeye Education Council, Robin Pfund, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

C. Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the educational service centers from the counties of Defiance, Fulton, Henry, and Williams; one representative from each of the city districts; one representative from each of the exempted village districts; and one additional representative from Fulton County Educational Service Center. The Four County Career Center possesses its own budgeting and taxing authority. No payments were made by the District to the Four County Career Center. To obtain financial information write to the Four County Career Center, Jennifer Bonner, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

D. Northwestern Ohio Educational Research Council, Inc.

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

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

15. JOINTLY GOVERNED ORGANIZATIONS – (Continued)

E. Northwest Ohio Special Education Regional Resource Center

The Northwest Ohio Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to provide services to families, educators, and agencies regarding educational law and curriculum and instruction for students with disabilities. The SERRC serves a thirteen county area in Northwest Ohio. The Governing Board consists of superintendents from each of the cooperating School Districts, the fiscal agent superintendent, two parents of children with disabilities, one superintendent of a county board of MR/DD, one representative from a chartered non-public school, one representative from the University of Toledo, one representative from Bowling Green State University, one representative from a community school, and any other representatives from other agencies as designated by the Governing Board or the Ohio Department of Education. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from David Michel, Eastwood Local School District, 4800 Sugar Ridge Road, Pemberville, Ohio 43450.

F. Northwest Ohio Regional Professional Development Center

The Northwest Ohio Regional Professional Development Center (RPDC) is a jointly governed organization among the school districts in Defiance, Erie, Fulton, Henry, Lucas, Ottawa, Sandusky, Williams, and Wood counties. The RPDC focuses on the implementation of academic content standards and the deployment of State initiatives. All activities reflect definition of high quality professional development, including job-embedded, connected to strategic goals, sustained, intensive skill building, and measurement of impact on student learning. The Center is governed by a fifteen member board made up of representatives from the participating school districts, the business community, and two institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from the Northwest Ohio Regional Professional Development Center, 414 Emerald Street, 2nd Floor, Toledo, Ohio 43602.

16. GROUP PURCHASING POOLS

A. NBEC Employee Insurance Benefits Program

Northern Buckeye Education Council Employee Insurance Benefits Program (the Pool) is a public entity shared risk pool consisting of educational entities located in Defiance, Fulton, Henry, and Williams counties. The Pool is governed by the Northern Buckeye Education Council and its participating members. Total disbursements made by the District to NBEC for employee insurance benefits during fiscal year ending June 30, 2008, were \$509,937. Financial information can be obtained from Northern Buckeye Education Council, Robin Pfund, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**EDON NORTHWEST LOCAL SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

16. GROUP PURCHASING POOLS – (Continued)

B. NBEC Workers' Compensation Group Rating Plan

The District participates in a group-rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council Workers' Compensation Group Rating Plan (WCGRP) was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The WCGRP is governed by the Northern Buckeye Education Council and the participating members of the WCGRP. The Executive Director of the NBEC coordinates the management and administration of the program. During fiscal year ending June 30, 2008, the District paid an enrollment fee of \$651 to the WCGRP to cover the costs of administering the program.

17. CONTINGENCIES

A. Grants

The 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 District at June 30, 2008.

B. Litigation

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

18. INTERFUND TRANSFERS

During the year ended June 30, 2008, the Classroom Facilities Fund transferred \$151,930 to the Bond Retirement Fund, which is a major fund, \$106,350 to the Classroom Maintenance Fund, and \$319,050 to the Permanent Improvement Fund, which are Other Non-Major Governmental funds. These transfers were made to close out the Classroom Facilities Project.

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Mary Taylor, CPA

Auditor of State

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

Edon Northwest Local School District
Williams County
802 West Indiana Street
Edon, Ohio 43518-9627

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edon Northwest Local School District, Williams County, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 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 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 District's internal control will not prevent or detect 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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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

We noted a certain matter that we reported to the District's management in a separate letter dated December 23, 2008.

Compliance and Other Matters

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

We intend this report solely for the information and use of management and Board of Education. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 23, 2008



Mary Taylor, CPA
Auditor of State

EDON NORTHWEST LOCAL SCHOOL DISTRICT

WILLIAMS 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
JANUARY 15, 2009**