



Mary Taylor, CPA
Auditor of State

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2010.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets –Cash Basis June 30, 2010	9
Statement of Activities –Cash Basis For the Fiscal Year Ended June 30, 2010	10
Fund Financial Statements:	
Statement of Assets and Fund Balances - Cash Basis – Governmental Funds June 30, 2010	11
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances Cash Basis – Governmental Funds For the Fiscal Year Ended June 30, 2010	12
Statement of Receipts, Disbursements, and Changes In Fund Balance Budget and Actual (Budget Basis) - General Fund For the Fiscal Year Ended June 30, 2010	13
Statement of Fiduciary Net Assets –Cash Basis Fiduciary Funds - June 30, 2010	14
Statement of Changes in Fiduciary Net Assets –Cash Basis Fiduciary Funds – For the Fiscal Year Ended June 30, 2010.....	15
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2010	17
Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2009.....	35
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets –Cash Basis June 30, 2009	41
Statement of Activities –Cash Basis For the Year Ended June 30, 2009.....	42
Fund Financial Statements:	
Statement of Assets and Fund Balances - Cash Basis – Governmental Funds June 30, 2009	43
Statement of Cash Receipts, Disbursements, and Changes in Fund Balances - Cash Basis – Governmental Funds For the Year Ended June 30, 2009.....	44

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Statement of Receipts, Disbursements, and Changes In Fund Balance –Budget and Actual (Budget Basis) - General Fund For the Fiscal Year Ended June 30, 2009	45
Statement of Fiduciary Net Assets –Cash Basis Fiduciary Funds - June 30, 2009	46
Statement of Changes in Fiduciary Net Assets –Cash Basis Fiduciary Funds – For the Fiscal Year Ended June 30, 2009.....	47
Notes to the Basic Financial Statements for the Fiscal Year Ended June 30, 2009	49
Federal Awards Receipts and Expenditures Schedule – For the Fiscal Year Ended June 30, 2010.....	69
Notes to the Federal Awards Receipts and Expenditures Schedule – For the Fiscal Year Ended June 30, 2010	70
Independent Accountants’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	71
Independent Accountants’ Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance In Accordance with OMB Circular A-133	73
Schedule of Findings.....	75
Schedule of Prior Year Finding	77
Independent Accountants’ Report on Applying Agreed-Upon Procedures.....	79



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Bradford Exempted Village School District
Miami County
760 Railroad Avenue
Bradford, Ohio 45308

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Bradford Exempted Village School District, Miami County, (the School District), as of and for the years ended June 30, 2010 and 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Ohio Administrative Code § 117-2-03 (B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Bradford Exempted Village School District, Miami County, as of June 30, 2010 and 2009, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2010, on our consideration of the School 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 First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board 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.

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Federal Awards Receipts and Expenditures for Fiscal Year Ended June 30, 2010, is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

October 21, 2010

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

The discussion and analysis of Bradford Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010, within the limitations of the School District's cash basis of accounting. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

- The General Fund was able to transfer \$225,000 to the Permanent Improvement Fund to fund future capital projects.
- General receipts accounted for \$4,669,285 or 70% of all receipts. Program specific receipts in the form of charges for services, operating and capital grants, interest and contributions accounted for \$2,043,974 or 30% of total receipts of \$6,713,259.
- The School had \$6,577,776 in disbursements; only \$2,043,974 of these disbursements were offset by program specific charges for services, grants, interest and contributions.
- Overall, receipts decreased 8 percent, mainly due to cuts at the State Level and lower income tax collections.
- Net assets increased \$135,483, which represents a 4% increase from fiscal year 2009.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's cash basis of accounting.

Report Components

The Statement of Net Assets and Statement of Activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The Notes to the Basic Financial Statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determines when financial events are recorded. The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the School District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities – Cash Basis

The Statement of Net Assets and the Statement of Activities reflect how the School District did financially during fiscal year 2010, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the governmental activities of the School District at fiscal year-end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental program draws from the School District's general receipts.

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well, such as the School District's property tax base, the condition of the School District's capital assets, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds, not the School District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported on a cash basis. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2010 compared to fiscal year 2009:

**Table 1
Net Assets**

	2010	2009	Change
Assets:			
Current Assets	\$3,854,251	\$3,718,768	\$135,483
Net Assets:			
Restricted	800,692	733,009	67,683
Unrestricted	3,053,559	2,985,759	67,780
Total Net Assets	\$3,854,251	\$3,718,768	\$135,483

Net assets of governmental activities increased \$135,483 during fiscal year 2010. Although net assets increased, the increase was much less than the prior three fiscal year increases due to decreases in receipts.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, also increased, but again at a much lower level than in previous fiscal years.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

**Table 2
Change in Net Assets**

	2010	2009	Change
Receipts:			
Program Cash Receipts:			
Charges for Services	\$ 774,685	\$ 736,133	\$ 38,552
Operating Grants, Interest, and Contributions	1,269,289	892,263	377,026
Capital Grants and Contributions		3,743	(3,743)
Total Program Cash Receipts	2,043,974	1,632,139	411,835
General Receipts:			
Property Taxes Levied for:			
General Purposes	797,296	776,942	20,354
Debt Service	109,339	111,832	(2,493)
Classroom Facilities Maintenance	16,121	16,016	105
Income Tax	812,907	1,169,220	(356,313)
Grants and Entitlements not Restricted to Specific Programs	2,917,156	3,199,431	(282,275)
Interest	11,273	44,196	(32,923)
Gifts and Donations	275	410	(135)
Miscellaneous	4,918	10,031	(5,113)
Proceeds from Capital Lease		353,000	(353,000)
Total General Receipts	4,669,285	5,681,078	(1,011,793)
Total Receipts	6,713,259	7,313,217	(599,958)

(Continued)

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

**Table 2
Change in Net Assets
(Continued)**

	<u>2010</u>	<u>2009</u>	<u>Change</u>
Cash Disbursements:			
Instruction:			
Regular	2,382,761	2,525,417	(142,656)
Special	733,738	656,566	77,172
Student Intervention Services	11,577	3,985	7,592
Support Services:			
Pupils	439,410	345,473	93,937
Instructional Staff	217,367	141,859	75,508
Board of Education	41,164	38,156	3,008
Administration	553,131	547,059	6,072
Fiscal	187,324	193,935	(6,611)
Business	1,655	1,124	531
Operation and Maintenance of Plant	528,421	536,039	(7,618)
Pupil Transportation	524,485	374,881	149,604
Central	106,467	95,854	10,613
Operation of Non-Instructional Services	363,789	345,686	18,103
Extracurricular Activities	263,638	233,768	29,870
Capital Outlay	32,524	433,326	(400,802)
Principal Retirement	143,000	142,000	1,000
Interest and Fiscal Charges	47,325	50,818	(3,493)
Total Cash Disbursements	<u>6,577,776</u>	<u>6,665,946</u>	<u>(\$ 88,170)</u>
Change in Net Assets	135,483	647,271	
Net Assets at Beginning of Year	<u>3,718,768</u>	<u>3,071,497</u>	
Net Assets at End of Year	<u>\$3,854,251</u>	<u>\$3,718,768</u>	

Governmental Activities

Overall receipts decreased \$599,958 or eight percent. The majority of the decrease was in income tax and proceeds from capital lease.

The significant decrease in income tax was a result of a lottery winner living in the School District that paid taxes during fiscal year 2009. Also, income tax collections are down due to the economy. Under the cash basis of accounting, the proceeds from capital lease are shown as a receipt instead of a liability, therefore, a receipt of \$353,000 was shown during fiscal year 2009 that was not shown in fiscal year 2010. The other major decrease in receipts was in State foundation, due to cuts at the State level.

Disbursements decreased \$88,170, or one percent. The School District, through fiscal restraint, was able to keep disbursements consistent with the prior year.

The School District's Funds

The School District's funds are accounted for using the cash basis of accounting. The only major fund for fiscal year 2010 was the General Fund. All governmental funds had total receipts of \$6,713,259 and disbursements of \$6,577,776. The General Fund accounts for 80 percent of receipts and 79 percent of disbursements. For fiscal years 2007, 2008 and 2009 fund balance has increased \$430,575, \$422,009 and \$606,618, respectively, but during fiscal year 2010, fund balance decreased \$47,110. The decrease was due to a decrease in receipts, mainly income tax and State foundation, as well as the General Fund transferring \$225,000 to the Permanent Improvement Fund.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

General Fund Budgeting Highlights

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

During the course of fiscal year 2010, the School District amended its General Fund budget several times, which resulted in final appropriations increasing \$244,897. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. This caused actual disbursements to be 12 percent lower than the final budgeted amount.

For the General Fund, the final budget basis receipts estimate increased from the original budget basis revenue by \$62,803. Actual receipts were \$5,294,828, a less than one percent increase of \$12,419 from the final budget basis.

Capital Assets

The School District does not currently report its capital assets and infrastructure.

Debt Administration

Table 3 summarizes the School District's bonds outstanding:

**Table 3
Outstanding Debt, at Fiscal Year-End
Governmental Activities**

	2010	2009
School Improvement Bonds	\$ 11,913	\$ 76,913
School Improvement Refunding Bonds	889,999	904,999
Capital Lease	228,000	291,000
Totals	<u>\$1,129,912</u>	<u>\$1,272,912</u>

During the fiscal year, the School District made payments on all three debt issues. For more information on the School District's debt, see Notes 11 and 12 of the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dawanna Cron, Treasurer, at Bradford Exempted Village School District, 760 Railroad Road, Bradford, OH 45308, or email at dawanna_cron@darke.k12.oh.us.

This page intentionally left blank.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2010**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$3,846,559
Cash and Cash Equivalents with Fiscal Agent	7,692
Total Assets	3,854,251
 Net Assets:	
Restricted for:	
Debt Service	181,743
Capital Outlay	108,410
Other Purposes	319,505
Kindergarten Classroom:	
Expendable	88
Non-Expendable	10,446
Set-Asides	180,500
Unrestricted	3,053,559
Total Net Assets	\$3,854,251

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants, Interest, and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction:				
Regular	\$2,382,761	\$334,836	\$100,257	(\$1,947,668)
Special	733,738		510,848	(222,890)
Student Intervention Services	11,577			(11,577)
Support Services:				
Pupils	439,410		189,877	(249,533)
Instructional Staff	217,367		18,733	(198,634)
Board of Education	41,164		3,762	(37,402)
Administration	553,131		24,539	(528,592)
Fiscal	187,324		28,159	(159,165)
Business	1,655			(1,655)
Operation and Maintenance of Plant	528,421		151,121	(377,300)
Pupil Transportation	524,485	173,646	81,374	(269,465)
Central	106,467		4,159	(102,308)
Operation of Non-Instructional Services	363,789	190,190	144,716	(28,883)
Extracurricular Activities	263,638	76,013	11,744	(175,881)
Capital Outlay	32,524			(32,524)
Principal Retirement	143,000			(143,000)
Interest and Fiscal Charges	47,325			(47,325)
Totals	<u>\$6,577,776</u>	<u>\$774,685</u>	<u>\$1,269,289</u>	<u>(4,533,802)</u>
General Receipts:				
Property Taxes Levied for:				
General Purposes				797,296
Debt Service				109,339
Classroom Facilities Maintenance				16,121
Income Tax				812,907
Grants and Entitlements not Restricted to Specific Programs				2,917,156
Interest				11,273
Gifts and Donations				275
Miscellaneous				4,918
Total General Receipts				<u>4,669,285</u>
Change in Net Assets				135,483
Net Assets at Beginning of Year				<u>3,718,768</u>
Net Assets at End of Year				<u>\$3,854,251</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,709,375	\$952,455	\$3,661,830
Cash and Cash Equivalents with Fiscal Agent		7,692	7,692
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	184,729		184,729
Total Assets	<u>2,894,104</u>	<u>960,147</u>	<u>3,854,251</u>
Fund Balances:			
Reserved for Encumbrances	174,692	15,808	190,500
Reserved for Textbooks and Instructional Materials	180,500		180,500
Reserved for Bus Purchases	4,229		4,229
Reserved for Contributions		9,000	9,000
Unreserved, Undesignated, Reported in:			
General Fund	2,534,683		2,534,683
Special Revenue Funds		305,598	305,598
Debt Service Fund		181,743	181,743
Capital Projects Funds		446,464	446,464
Permanent Fund		1,534	1,534
Total Fund Balances	<u>\$2,894,104</u>	<u>\$960,147</u>	<u>\$3,854,251</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:			
Property Taxes	\$797,296	\$125,460	\$922,756
Income Tax	812,907		812,907
Intergovernmental	3,273,701	884,820	4,158,521
Interest	11,139	135	11,274
Charges for Services	173,646	190,190	363,836
Tuition and Fees	306,189	168	306,357
Extracurricular Activities	7,597	96,895	104,492
Gifts and Donations	275	27,923	28,198
Miscellaneous	4,918		4,918
Total Receipts	<u>5,387,668</u>	<u>1,325,591</u>	<u>6,713,259</u>
Disbursements:			
Current:			
Instruction:			
Regular	2,257,344	125,417	2,382,761
Special	597,986	135,752	733,738
Student Intervention Services	11,577		11,577
Support Services:			
Pupils	249,315	190,095	439,410
Instructional Staff	198,105	19,262	217,367
Board of Education	37,426	3,738	41,164
Administration	528,416	24,715	553,131
Fiscal	184,730	2,594	187,324
Business	1,655		1,655
Operation and Maintenance of Plant	351,286	177,135	528,421
Pupil Transportation	442,670	81,815	524,485
Central	101,010	5,457	106,467
Operation of Non-Instructional Services		363,789	363,789
Extracurricular Activities	160,683	102,955	263,638
Capital Outlay		32,524	32,524
Debt Service:			
Principal Retirement	63,000	80,000	143,000
Interest and Fiscal Charges	10,075	37,250	47,325
Total Disbursements	<u>5,195,278</u>	<u>1,382,498</u>	<u>6,577,776</u>
Excess of Receipts Over (Under) Disbursements	<u>192,390</u>	<u>(56,907)</u>	<u>135,483</u>
Other Financing Sources (Uses):			
Transfers In		239,500	239,500
Transfers Out	(239,500)		(239,500)
Total Other Financing Sources (Uses)	<u>(239,500)</u>	<u>239,500</u>	
Net Change in Fund Balance	(47,110)	182,593	135,483
Fund Balances at Beginning of Year	<u>2,941,214</u>	<u>777,554</u>	<u>3,718,768</u>
Fund Balances at End of Year	<u>\$2,894,104</u>	<u>\$960,147</u>	<u>\$3,854,251</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Receipts:				
Property Taxes	\$681,250	\$846,199	\$797,296	(\$48,903)
Income Tax	950,000	812,000	812,907	907
Intergovernmental	3,254,178	3,254,178	3,260,509	6,331
Interest	15,000	9,500	11,139	1,639
Charges for Services	142,986	142,986	150,025	7,039
Tuition and Fees	213,875	212,575	250,566	37,991
Rent	500	500		(500)
Extracurricular Activities			7,597	7,597
Gifts and Donations	500	500	275	(225)
Miscellaneous	4,514	4,514	4,514	
Total Receipts	<u>5,262,803</u>	<u>5,282,952</u>	<u>5,294,828</u>	<u>11,876</u>
Disbursements:				
Current:				
Instruction:				
Regular	2,458,645	2,458,245	2,262,205	196,040
Special	833,995	834,395	638,775	195,620
Student Intervention Services	9,923	9,923	11,952	(2,029)
Other	10,000	10,000	4,200	5,800
Support Services:				
Pupils	261,912	261,912	260,361	1,551
Instructional Staff	194,992	194,992	199,243	(4,251)
Board of Education	53,102	53,102	37,601	15,501
Administration	586,045	586,045	544,950	41,095
Fiscal	208,885	224,235	194,739	29,496
Business	2,250	2,250	1,655	595
Operation and Maintenance of Plant	549,429	549,429	403,740	145,689
Pupil Transportation	491,139	491,139	472,912	18,227
Central	100,657	100,657	103,981	(3,324)
Extracurricular Activities	171,646	171,646	161,296	10,350
Capital Outlay	6,000	6,000		6,000
Debt Service:				
Principal Retirement	63,000	63,000	63,000	
Interest and Fiscal Charges	10,028	10,075	10,075	
Total Disbursements	<u>6,011,648</u>	<u>6,027,045</u>	<u>5,370,685</u>	<u>656,360</u>
Excess of Receipts Under Disbursements	<u>(748,845)</u>	<u>(744,093)</u>	<u>(75,857)</u>	<u>668,236</u>
Other Financing Sources (Uses):				
Refund of Prior Year Disbursements	95,000	92,048	92,591	543
Proceeds from Sale of Capital Assets	80,000			
Transfers Out	(10,000)	(239,500)	(239,500)	
Total Other Financing Sources (Uses)	<u>165,000</u>	<u>(147,452)</u>	<u>(146,909)</u>	<u>543</u>
Net Change in Fund Balance	(583,845)	(891,545)	(222,766)	668,779
Fund Balance at Beginning of Year	2,784,148	2,784,148	2,784,148	
Prior Year Encumbrances Appropriated	157,781	157,781	157,781	
Fund Balance at End of Year	<u>\$2,358,084</u>	<u>\$2,050,384</u>	<u>\$2,719,163</u>	<u>\$668,779</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2010**

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$115,097	<u>\$25,672</u>
Liabilities:		
Current Liabilities:		
Due to Students	<u> </u>	<u>\$25,672</u>
Net Assets:		
Held in Trust for Scholarships	<u>\$115,097</u>	

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Private Purpose Trust</u>
Additions:	
Investment Earnings	\$1,812
Gifts and Contributions	3,126
Total Additions	<u>4,938</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>10,750</u>
Change in Net Assets	(5,812)
Net Assets at Beginning of Year	<u>120,909</u>
Net Assets at End of Year	<u><u>\$115,097</u></u>

See Accompanying Notes to the Basic Financial Statements.

This page intentionally left blank.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District serves an area of approximately 14,698 acres. It is located in Miami and Darke Counties along with a portion of Shelby County, and includes all of the Village of Bradford and portions of Newberry, Newton, Wayne, Adams, Franklin and Loramie Townships.

A. Reporting Entity

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

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

The School District participates in three jointly governed organizations, one related organization, two insurance purchasing pools, and a public entity shared risk pool. These organizations include the Upper Valley Joint Vocational School District, the Metropolitan Dayton Educational Cooperative Association, the Southwestern Ohio Educational Purchasing Council, the Bradford Public Library, the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan, the Southwestern Ohio Educational Purchasing Council Property, Fleet and Liability Insurance Program, and the Southwestern Ohio Educational Purchasing Council Benefit Plan Trust. These organizations are presented in Notes 14, 15, 16 and 17 to the basic financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Section C of Note 2, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the School District's accounting policies.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide 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.

1. Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities of the School District that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type.

The Statement of Net Assets presents the cash balance of the governmental activities of the School District at fiscal year-end. The Statement of Activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

2. Fund Financial Statements

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

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

1. Governmental Funds

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants) and other nonexchange transactions as governmental funds. The following is the School District's major governmental fund:

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

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

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust fund which accounts for a college scholarship program for students. The Student Managed Activities Agency Fund accounts for those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

C. Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. The School District reports liabilities of the Fiduciary Agency fund since these monies are due to others and not for the purpose of the District itself.

As a result of the use of this cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related disbursements (such as accounts payable and disbursements for goods or services received but not yet paid, and accrued disbursements and liabilities) are not recorded in these financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The balance of grant activity administered and held by a fiscal agent is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agent" and represents deposits of the Darke County Educational Service Center.

During fiscal year 2010, the School District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and negotiable certificates of deposit.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2010.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest credited to the General Fund during fiscal year 2010 amounted to \$11,139, which includes \$2,912 assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

E. Restricted Assets

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

F. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postemployment health care benefits.

G. Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

J. Long-Term Obligations

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and State grants restricted to cash disbursement for specified purposes. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The School District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, textbooks and instructional materials, bus purchases, and contributions.

M. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund and function level for the General Fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The Treasurer has been authorized to allocate Board appropriations to the object level in the General Fund and the function and object level within all other funds.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated receipts. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

N. Internal Activity

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements 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 disbursements to the funds that initially paid for them are not presented on the financial statements.

3. COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are: outstanding year-end encumbrances, which are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis); and unrecorded cash and disbursements, which represents amounts received and disbursed but not included on the budget basis statement. These amounts are included as receipts and disbursements on the cash basis Statement of Cash Receipts, Disbursements and Changes in Fund Balances – Cash Basis.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	Net Change in Fund Balance
Cash Basis	(\$47,110)
Unrecorded Cash - Fiscal Year 2010	(249)
Unrecorded Cash - Fiscal Year 2009	(715)
Adjustment for Encumbrances	(174,692)
Budget Basis	(\$222,766)

5. DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits - Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Investments - At June 30, 2010, the carrying amount of the School District's deposits was \$1,232,376 and the bank balance was \$1,304,019. Of the bank balance, \$1,304,019 was covered by federal depository insurance.

As of June 30, 2010, the School District had the following investments. All investments are in an internal investment pool, and both investments mature in less than one year.

	<u>Fair Value</u>
STAROhio	\$2,708,615
Negotiable Certificates of Deposit	46,337
Totals	<u>\$2,754,952</u>

A. Interest Rate Risk

The School 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 School District, and that an investment must be purchased with the expectation that it will be held to maturity.

B. Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The School District's investment policy limits investments to those authorized by State statute.

C. Concentration of Credit Risk

The School 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.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after April 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Shelby, Darke, and Miami Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$45,095,130	97.33%	\$45,764,920	97.46%
Public Utility Personal	1,062,570	2.29	1,112,930	2.37
General Business Personal	175,880	0.38	80,640	0.17
Total Assessed Value	<u>\$46,333,580</u>	<u>100.00%</u>	<u>\$46,958,490</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$35.47		\$35.47	

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

7. INCOME TAX

The School District levies a voted tax of 1.75 percent for general operations on the income of residents and of estates. The 1.00 percent tax was effective on January 1, 1982, while the 0.75 percent tax was effective on January 1, 1992. Both are a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax receipts are credited to the General Fund.

8. RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District joined together with other School Districts in Ohio to participate in the Southwestern Ohio Educational Purchasing Council Property, Fleet and Liability Insurance Program, an insurance purchasing pool (See Note 16).

B. Medical Benefits

For fiscal year 2010, the School District participated in the Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust), a public entity shared risk pool (Note 17). The School District pays monthly premiums to the Trust for employee medical, dental, and vision insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

C. Workers' Compensation

For fiscal year 2010, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Hunter Consulting Company provides administrative, cost control and actuarial services to the GRP.

9. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

A. School Employees Retirement System

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$105,543, \$73,454, and \$73,716, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$297,337 \$304,746, and \$298,896, respectively; 100 percent has been contributed for all three fiscal years. Contributions to the DC and Combined Plans for fiscal year 2009 were \$19,193 made by the School District and \$13,709 made by the plan members.

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 Employees Retirement System. As of June 30, 2010, two members of the Board of Education have elected Social Security. The remaining Board members contribute to SERS. The Board's liability is 6.2 percent of wages paid.

10. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2010, 0.46 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$16,284, \$45,809, and \$45,778, respectively; 100 percent has been contributed for all three fiscal years.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

10. POST-EMPLOYMENT BENEFITS (Continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$6,276, \$6,061, and \$5,311, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$22,872, \$23,442, and \$22,992, respectively; 100 percent has been contributed for all three fiscal years.

11. LONG-TERM OBLIGATIONS

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

	Principal Outstanding 6/30/09	Additions	Deductions	Principal Outstanding 6/30/10	Amounts Due in One Year
Governmental Activities:					
School Improvement Bonds 2000 - 4.30% - 5.25%	\$ 76,913		\$ 65,000	\$ 11,913	\$ 6,814
School Improvement Refunding Bonds 2008 - 4.00% - 4.75%	904,999		15,000	889,999	15,000
Capital Lease	291,000		63,000	228,000	73,000
Total Long-Term Liabilities	<u>\$1,272,912</u>	<u>\$0</u>	<u>\$143,000</u>	<u>\$1,129,912</u>	<u>\$94,814</u>

A. School Improvement General Obligation Bonds – The School District issued bonds in the amount of \$1,466,912 during fiscal year 2000. Of these bonds, \$530,000 are serial bonds, with maturity dates of December 1, 2000, to December 1, 2009, and \$925,000 are term bonds, with a maturity date of December 1, 2021. \$11,913 of the bonds are capital appreciation bonds, with maturity dates of December 1, 2010, and 2011. The maturity amount is \$70,000 and \$65,000, respectively. The bonds were issued for a 23-year period with final maturity to occur during fiscal year 2022. During fiscal year 2008, the School District retired \$60,000, and \$924,999 of the bonds were advance refunded. The new final maturity is June 1, 2012. The debt will be retired from the Bond Retirement Debt Service Fund.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

11. LONG-TERM OBLIGATIONS

B. School Improvement General Obligation Refunding Bonds - The 2008 Refunding Bonds were issued July 12, 2007, for the purpose of advance refunding \$924,999 of the \$1,126,912 outstanding school improvement general obligation bonds. The net proceeds of the 2008 bonds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. Of the bonds, \$895,000 are current interest bonds, with maturity dates of December 1, 2007 to December 1, 2019, and \$29,999 of the bonds are capital appreciation bonds, with maturity dates of December 1, 2020 and December 1, 2021. The maturity amount of the capital appreciation bonds is \$120,000. The debt will be retired from the Bond Retirement Debt Service Fund.

The capital lease will be paid from the General Fund.

The School District's overall legal debt margin was \$3,494,703 with an un-voted debt margin of \$46,832 at June 30, 2010

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Capital Appreciation Bonds		Current Interest Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 6,814	\$ 63,186	\$ 15,000	\$ 34,944
2012	5,099	59,901	20,000	34,244
2013			90,000	32,044
2014			95,000	28,344
2015			95,000	24,544
2016-2020			545,000	58,941
2021-2022	29,999	210,001		
Total	\$41,912	\$333,088	\$860,000	\$213,061

12. CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the School District entered into a lease-purchase agreement with the Columbus Regional Airport Authority for the acquisition, construction and installation of energy conservation improvement. Columbus Regional Airport Authority will retain title to the project during the lease term.

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

Ending June 30,	Payments
2011	\$ 80,329
2012	80,747
2013	81,059
Total minimum lease payments	242,135
Less: amount representing interest	(14,135)
Present value of minimum lease payments	<u>\$228,000</u>

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

13. INTERFUND ADVANCES AND TRANSFERS

The General Fund had transfers out to the Other Governmental Funds of \$239,500. Transfers are used to move General Fund revenues that are used to subsidize various programs in other funds.

14. JOINTLY GOVERNED ORGANIZATIONS

A. Upper Valley Joint Vocational School District

The Upper Valley Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from each of the seven participating districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following school districts: Bradford Exempted Village School District, Covington Exempted Village School District, and Miami County Educational Service Center. Two members are appointed from the following city and/or local school districts: Piqua, Sidney, Troy and Shelby County Educational Service Center. During fiscal year 2010, the School District did not contribute any money to the Upper Valley Joint Vocational School District. To obtain financial information write to the Upper Valley Joint Vocational School, Amy Twarek, who services as Treasurer, at 8811 Career Drive, Piqua, Ohio 45356-9254.

B. Metropolitan Dayton Educational Cooperative Association

The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a computer consortium. MDECA is an association of public school districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member School Districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts with the exception of the Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. During fiscal year 2010, the School District paid \$15,191 to MDECA. Financial information can be obtained from Jerry Woodyard, who serves as Director, at 225 Linwood Street, Dayton, Ohio 45405.

C. Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 18 counties. The purpose of the SOEPC is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year's prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

Payments to SOEPC are made from the General Fund. During fiscal year 2010, the School District paid \$548 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

15. RELATED ORGANIZATION

Bradford Public Library

The Bradford Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Bradford School Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Bradford Public Library, Janice Sarver, Clerk/Treasurer, at 138 East Main Street, Bradford, Ohio 45308.

16. INSURANCE PURCHASING POOLS

A. Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Insurance Program

The School District participates in the Southwestern Ohio Educational Purchasing Council Property, Fleet and Liability Insurance Program (PFL). The PFL's business and affairs are conducted by a six member committee consisting of various PFL representatives that are elected by the general assembly. The purpose of the Property, Fleet, and Liability Insurance Program of the SOEPC is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage and other protections for participating school districts.

17. PUBLIC ENTITY SHARED RISK POOL

Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust

The Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Council and its participating members. Each participant decides which plans offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information can be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

18. SET-ASIDE CALCULATIONS

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

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

	Textbooks and Instructional Materials	Capital Improvements
Set-aside Reserve Balance June 30, 2009	\$139,649	
Current Fiscal Year Set-aside Requirement	93,398	\$93,398
Qualifying Disbursements	(52,547)	(93,398)
School Improvement Bond Proceeds		
Totals	180,500	
Set-aside Balance Carried Forward to Future Fiscal Years	180,500	
Set-aside Reserve Balance June 30, 2010	\$180,500	\$ 0

Amounts of offsets and qualifying disbursements presented in the table for capital improvements were limited to those necessary to reduce the fiscal year-end balance to zero.

19. CONTINGENCIES

A. Grants

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

B. Litigation

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

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

20. DONOR RESTRICTED ENDOWMENTS

The School District's permanent fund and private purpose trust fund includes donor-restricted endowments. These assets are shown as non-expendable net assets to represent the principal portion of the endowment. The amount of net appreciation in donor-restricted investments that is available for expenditures by the governing body is shown as expendable net assets. State law permits the governing board to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowment of the permanent improvement fund indicates that the interest should be used for the kindergarten classroom. The endowments of the private purpose funds indicate that the interest should be used to provide scholarships.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The discussion and analysis of Bradford Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2009, within the limitations of the School District's cash basis of accounting. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- In total, net assets increased \$647,271 which represents a 21 percent increase from fiscal year 2008.
- General receipts accounted for \$5,681,078 or 78 percent of all receipts. Program specific receipts in the form of charges for services and operating and capital grants, interest, and contributions accounted for \$1,632,139 or 22 percent of total receipts of \$7,313,217.
- The School District had \$6,665,946 in disbursements; only \$1,632,139 of these disbursements were offset by program specific charges for services, grants, interest, and contributions.
- During fiscal year 2009, the School District entered into a lease-purchase agreement for \$353,000 for the acquisition, construction and installation of energy conservation improvements through-out the building. The savings on energy costs are expected to be enough to repay the lease.

Using The Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the School District's cash basis of accounting.

Report Components

The Statement of Net Assets and Statement of Activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The Notes to the Basic Financial Statements are an integral part of the government-wide and fund financial statements and provide expanded explanations and details regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determines when financial events are recorded. The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the School District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)
(Continued)**

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities –Cash Basis

The Statement of Net Assets and the Statement of Activities reflect how the School District did financially during fiscal year 2009, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the governmental activities of the School District at fiscal year-end. The Statement of Activities compares cash disbursements with program receipts for each governmental program. Program receipts include charges paid by the recipient of the program's goods or services, and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental program draws from the School District's general receipts.

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or deteriorating. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well, such as the School District's property tax base, the condition of the School District's capital assets, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local receipt sources such as property and income taxes.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the School District's major funds, not the School District as a whole. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported on a cash basis. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2009 compared to fiscal year 2008:

Table 1			
Net Assets			
	2009	2008	Change
Assets:			
Current Assets	\$3,718,768	\$3,071,497	\$647,271
Net Assets:			
Restricted	733,009	822,801	(89,792)
Unrestricted	2,985,759	2,248,696	737,063
Total Net Assets	\$3,718,768	\$3,071,497	\$647,271

Net assets of governmental activities increased \$647,271 during fiscal year 2009. The increase in net assets was similar to the increase in net assets that resulted in fiscal years 2008 and 2007. The consecutive increases show that the School District's receipts and disbursements have remained consistent over the past several fiscal years.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, also increased primarily due to the consistency of receipts and disbursements.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008.

Table 2			
Change in Net Assets			
	2009	2008	Change
Receipts:			
Program Cash Receipts:			
Charges for Services	\$ 736,133	\$ 774,933	(\$ 38,800)
Operating Grants, Interest, and Contributions	892,263	888,862	3,401
Capital Grants and Contributions	3,743		3,743
Total Program Cash Receipts	1,632,139	1,663,795	(31,656)
General Receipts and Payment to Refunded Bond Escrow Agent:			
Property Taxes Levied for:			
General Purposes	776,942	727,981	48,961
Debt Service	111,832	118,800	(6,968)
Classroom Facilities Maintenance	16,016	15,733	283
			(Continued)

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

**Table 2
Change in Net Assets
(Continued)**

	2009	2008	Change
Income Tax	1,169,220	993,499	175,721
Grants and Entitlements not Restricted to Specific Programs	3,199,431	3,088,116	111,315
Investment Earnings	44,196	114,538	(70,342)
Gifts and Donations	410	6,306	(5,896)
Miscellaneous	10,031	6,367	3,664
Refunding Bonds Issued		924,999	(924,999)
Premium on Bonds Issued		85,034	(85,034)
Payment to Refunded Bond Escrow Agent		(984,382)	984,382
Proceeds from Capital Lease	353,000		353,000
Total General Receipts and Payment to Refunded Bond Escrow Agent	<u>5,681,078</u>	<u>5,096,991</u>	<u>584,087</u>
Total Receipts and Payment to Refunded Bond Escrow Agent	<u>7,313,217</u>	<u>6,760,786</u>	<u>552,431</u>
Cash Disbursements:			
Instruction:			
Regular	2,525,417	2,486,996	38,421
Special	656,566	629,558	27,008
Student Intervention Services	3,985	20,861	(16,876)
Support Services:			
Pupils	345,473	330,621	14,852
Instructional Staff	141,859	235,355	(93,496)
Board of Education	38,156	29,947	8,209
Administration	547,059	528,334	18,725
Fiscal	193,935	163,711	30,224
Business	1,124	1,333	(209)
Operation and Maintenance of Plant	536,039	586,260	(50,221)
Pupil Transportation	374,881	482,628	(107,747)
Central	95,854	134,148	(38,294)
Operation of Non-Instructional Services	345,686	326,320	19,366
Extracurricular Activities	233,768	199,441	34,327
Capital Outlay	433,326	1,860	431,466
Principal Retirement	142,000	65,000	77,000
Interest and Fiscal Charges	50,818	50,780	38
Issuance Costs		15,579	(15,579)
Total Cash Disbursements	<u>6,665,946</u>	<u>6,288,732</u>	<u>\$377,214</u>
Change in Net Assets	647,271	472,054	
Net Assets at Beginning of Year	<u>3,071,497</u>	<u>2,599,443</u>	
Net Assets at End of Year	<u>\$3,718,768</u>	<u>\$3,071,497</u>	

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Governmental Activities

Overall receipts increased \$552,431 or 8 percent. The majority of this increase was in income taxes and proceeds from capital lease.

The significant increase of \$175,721 or 18 percent in income taxes was a result of a lottery winner living in the School District. Under the cash basis of accounting, the proceeds from capital lease are shown as a receipt instead of a liability, therefore, a receipt of \$353,000 was shown.

The unique nature of taxes in Ohio creates the need to routinely seek voter approval for the School District's operations. Property taxes and income taxes made up 36 percent of receipts for governmental activities for the School District for fiscal year 2009.

Disbursements increased \$377,214, of which the majority of this, \$353,000, was capital outlay related to the capital lease. Without including the capital lease, the increase is \$24,214, or a less than one percent increase from the prior fiscal year. The School District made major cuts several fiscal years ago, and has been able to hold disbursements constant ever since. Instruction comprises 48 percent of School District disbursements. Support services disbursements make up 34 percent.

The School District's Funds

The School District's funds are accounted for using the cash basis of accounting. The only major fund for fiscal year 2009 was the General Fund. All governmental funds had total receipts of \$6,960,217 and disbursements of \$6,665,946. The General Fund accounts for 86 percent or \$5,966,516 of receipts and 80 percent or \$5,349,898 of disbursements. For fiscal years 2007, 2008 and 2009 fund balance has increased \$430,575, \$422,009 and \$606,618, respectively. The larger increase in fiscal year 2009 compared to the increases in fiscal years 2007 and 2008 was due to a lottery winner residing in the School District.

General Fund Budgeting Highlights

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

During the course of fiscal year 2009, the School District amended its General Fund budget several times, which resulted in final appropriations increasing \$91,150. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. This caused actual disbursements to be five percent lower than the final budgeted amount.

For the General Fund, the final budget basis receipts estimate increased from the original budget basis revenue by \$131,740. The most significant change was in income tax receipts because of an unexpected increase in income tax collections. Actual receipts were \$8,676, a less than one percent increase from the final budget basis.

Capital Assets

The School District does not currently report its capital assets and infrastructure.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(UNAUDITED)**

Debt Administration

Table 3 summarizes the bonds outstanding:

**Table 3
Outstanding Debt, at Fiscal Year-End
Governmental Activities**

	<u>2009</u>	<u>2008</u>
School Improvement Bonds	\$ 76,913	\$ 141,913
School Improvement Refunding Bonds	904,999	919,999
Capital Lease	291,000	
Totals	<u>\$1,272,912</u>	<u>\$1,061,912</u>

During the fiscal year, the School District entered into a capital lease for energy conservation improvements to the School District's building. For more information on the School District's debt, see Notes 11 and 12 of the Basic Financial Statements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dawnna Cron, Treasurer, at Bradford Exempted Village School District, 760 Railroad Road, Bradford, OH 45308, or email at dawnna_cron@darke.k12.oh.us.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2009**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$3,710,884
Cash and Cash Equivalents with Fiscal Agent	7,884
Total Assets	3,718,768
 Net Assets:	
Restricted for:	
Debt Service	172,856
Capital Outlay	111,902
Other Purposes	298,080
Kindergarten Classroom:	
Expendable	88
Non-Expendable	10,434
Set-Asides	139,649
Unrestricted	2,985,759
Total Net Assets	\$3,718,768

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Program Cash Receipts			Capital Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Operating Grants, Interest, and Contributions		
Governmental Activities:					
Instruction:					
Regular	\$2,525,417	\$325,155	\$145,035		(\$2,055,227)
Special	656,566		410,446		(246,120)
Student Intervention Services	3,985				(3,985)
Support Services:					
Pupils	345,473		115,556		(229,917)
Instructional Staff	141,859		18,961		(122,898)
Board of Education	38,156				(38,156)
Administration	547,059		1,525		(545,534)
Fiscal	193,935		27,369		(166,566)
Business	1,124				(1,124)
Operation and Maintenance of Plant	536,039	330			(535,709)
Pupil Transportation	374,881	141,069	3,166	\$3,743	(226,903)
Central	95,854		9,780		(86,074)
Operation of Non-Instructional Services	345,686	183,136	153,227		(9,323)
Extracurricular Activities	233,768	86,443	7,198		(140,127)
Capital Outlay	433,326				(433,326)
Principal Retirement	142,000				(142,000)
Interest and Fiscal Charges	50,818				(50,818)
Totals	\$6,665,946	\$736,133	\$892,263	\$3,743	(5,033,807)

General Receipts:

Property Taxes Levied for:

General Purposes	776,942
Debt Service	111,832
Classroom Facilities Maintenance	16,016
Income Tax	1,169,220
Grants and Entitlements not Restricted to Specific Programs	3,199,431
Investment Earnings	44,196
Gifts and Donations	410
Miscellaneous	10,031
Proceeds from Capital Lease	353,000
Total General Receipts	5,681,078
Change in Net Assets	647,271
Net Assets at Beginning of Year	3,071,497
Net Assets at End of Year	\$3,718,768

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,793,722	\$769,670	\$3,563,392
Cash and Cash Equivalents with Fiscal Agent		7,884	7,884
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	147,492		147,492
Total Assets	<u>2,941,214</u>	<u>777,554</u>	<u>3,718,768</u>
Fund Balances:			
Reserved for Encumbrances	157,778	26,700	184,478
Reserved for Textbooks and Instructional Materials	139,649		139,649
Reserved for Bus Purchases	7,843		7,843
Reserved for Contributions		9,000	9,000
Unreserved, Undesignated, Reported in:			
General Fund	2,635,944		2,635,944
Special Revenue Funds		288,834	288,834
Debt Service Fund		172,856	172,856
Capital Projects Funds		278,642	278,642
Permanent Fund		1,522	1,522
Total Fund Balances	<u>\$2,941,214</u>	<u>\$777,554</u>	<u>\$3,718,768</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN
FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receipts:			
Property Taxes	\$776,942	\$127,848	\$904,790
Income Tax	1,169,220		1,169,220
Intergovernmental	3,509,187	556,336	4,065,523
Investment Earnings	42,763	1,552	44,315
Charges for Services	141,069	183,136	324,205
Tuition and Fees	310,267	67	310,334
Rent	330		330
Extracurricular Activities	6,442	94,822	101,264
Gifts and Donations	410	29,795	30,205
Miscellaneous	9,886	145	10,031
Total Receipts	<u>5,966,516</u>	<u>993,701</u>	<u>6,960,217</u>
Disbursements:			
Current:			
Instruction:			
Regular	2,414,063	111,354	2,525,417
Special	581,937	74,629	656,566
Student Intervention Services	3,985		3,985
Support Services:			
Pupils	230,738	114,735	345,473
Instructional Staff	123,034	18,825	141,859
Board of Education	38,156		38,156
Administration	542,733	4,326	547,059
Fiscal	191,297	2,638	193,935
Business	1,124		1,124
Operation and Maintenance of Plant	536,039		536,039
Pupil Transportation	371,692	3,189	374,881
Central	87,350	8,504	95,854
Operation of Non-Instructional Services		345,686	345,686
Extracurricular Activities	154,480	79,288	233,768
Capital Outlay	1,699	431,627	433,326
Debt Service:			
Principal Retirement	62,000	80,000	142,000
Interest and Fiscal Charges	9,571	41,247	50,818
Total Disbursements	<u>5,349,898</u>	<u>1,316,048</u>	<u>6,665,946</u>
Excess of Receipts Over (Under) Disbursements	<u>616,618</u>	<u>(322,347)</u>	<u>294,271</u>
Other Financing Sources (Uses):			
Proceeds from Capital Lease		353,000	353,000
Transfers In		10,000	10,000
Transfers Out	(10,000)		(10,000)
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>363,000</u>	<u>353,000</u>
Net Change in Fund Balance	606,618	40,653	647,271
Fund Balances at Beginning of Year	<u>2,334,596</u>	<u>736,901</u>	<u>3,071,497</u>
Fund Balances at End of Year	<u>\$2,941,214</u>	<u>\$777,554</u>	<u>\$3,718,768</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
Receipts:				
Property Taxes	\$759,925	\$779,425	\$776,942	(\$2,483)
Income Tax	925,000	1,169,000	1,169,220	220
Intergovernmental	3,545,687	3,470,187	3,495,271	25,084
Investment Earnings	110,000	44,000	33,140	(10,860)
Charges for Services	106,025	136,131	136,131	
Tuition and Fees	256,000	231,000	227,306	(3,694)
Rent		330	330	
Extracurricular Activities		6,400	6,442	42
Gifts and Donations	1,000	410	410	
Miscellaneous	11,025	9,519	9,886	367
Total Receipts	<u>5,714,662</u>	<u>5,846,402</u>	<u>5,855,078</u>	<u>8,676</u>
Disbursements:				
Current:				
Instruction:				
Regular	2,555,478	2,559,478	2,445,184	114,294
Special	686,270	686,270	610,681	75,589
Student Intervention Services	14,805	14,805	3,985	10,820
Other	10,982	10,982	282	10,700
Support Services:				
Pupils	229,792	250,392	233,529	16,863
Instructional Staff	124,535	128,535	124,609	3,926
Board of Education	33,698	38,698	46,308	(7,610)
Administration	524,600	560,076	554,338	5,738
Fiscal	198,897	199,941	193,757	6,184
Business	2,250	2,250	1,124	1,126
Operation and Maintenance of Plant	597,455	612,485	575,917	36,568
Pupil Transportation	388,229	388,229	400,707	(12,478)
Central	103,611	103,611	88,365	15,246
Extracurricular Activities	154,215	155,215	154,908	307
Capital Outlay	250	5,250	1,699	3,551
Debt Service:				
Principal Retirement	62,000	62,000	62,000	
Interest and Fiscal Charges	9,580	9,580	9,571	9
Total Disbursements	<u>5,696,647</u>	<u>5,787,797</u>	<u>5,506,964</u>	<u>280,833</u>
Excess of Receipts Over Disbursements	<u>18,015</u>	<u>58,605</u>	<u>348,114</u>	<u>289,509</u>
Other Financing Sources (Uses):				
Refund of Prior Year Disbursements	115,000	102,000	101,815	(185)
Advances In	5,000			
Advances Out	(15,000)			
Transfers Out		(15,000)	(10,000)	5,000
Total Other Financing Sources (Uses)	<u>105,000</u>	<u>87,000</u>	<u>91,815</u>	<u>4,815</u>
Net Change in Fund Balance	123,015	145,605	439,929	294,324
Fund Balance at Beginning of Year	2,157,689	2,157,689	2,157,689	
Prior Year Encumbrances Appropriated	186,530	186,530	186,530	
Fund Balance at End of Year	<u>\$2,467,234</u>	<u>\$2,489,824</u>	<u>\$2,784,148</u>	<u>\$294,324</u>

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2009**

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$120,909</u>	<u>\$31,729</u>
Liabilities:		
Current Liabilities:		
Due to Students	<u> </u>	<u>\$31,729</u>
Net Assets:		
Held in Trust for Scholarships	<u>\$120,909</u>	

See Accompanying Notes to the Basic Financial Statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - CASH BASIS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	<u>Private Purpose Trust</u>
Additions:	
Investment Earnings	\$2,228
Gifts and Contributions	60,991
Total Additions	<u>63,219</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>10,000</u>
Changes in Net Assets	53,219
Net Assets at Beginning of Year	<u>67,690</u>
Net Assets at End of Year	<u><u>\$120,909</u></u>

See Accompanying Notes to the Basic Financial Statements.

This page intentionally left blank.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District serves an area of approximately 14,698 acres. It is located in Miami and Darke Counties along with a portion of Shelby County, and includes all of the Village of Bradford and portions of Newberry, Newton, Wayne, Adams, Franklin and Loramie Townships.

A. Reporting Entity

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

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

The School District participates in three jointly governed organizations, one related organization, two insurance purchasing pools, and a public entity shared risk pool. These organizations include the Upper Valley Joint Vocational School District, the Metropolitan Dayton Educational Cooperative Association, the Southwestern Ohio Educational Purchasing Council, the Bradford Public Library, the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan, the Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Insurance Program, and the Southwestern Ohio Educational Purchasing Council Benefit Plan Trust. These organizations are presented in Notes 14, 15, 16 and 17 to the basic financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Section C of Note 2, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following are the more significant of the School District's accounting policies.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide 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.

1. Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statements usually distinguish between those activities of the School District that are governmental and those that are business-type. The School District, however, has no activities which are reported as business-type.

The Statement of Net Assets presents the cash balance of the governmental activities of the School District at fiscal year-end. The Statement of Activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the School District's general receipts.

2. Fund Financial Statements

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

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

1. Governmental Funds

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other nonexchange transactions as governmental funds. The following is the School District's major governmental fund:

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

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

2. Fiduciary Funds:

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust fund which accounts for a college scholarship program for students. The Student Managed Activities Agency Fund accounts for those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

C. Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the School District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related receipts (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related disbursements (such as accounts payable and disbursements for goods or services received but not yet paid, and accrued disbursements and liabilities) are not recorded in these financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. The balance of grant activity administered and held by a fiscal agent is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agent" and represents deposits of the Darke County Educational Service Center.

During fiscal year 2009, the School District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and negotiable certificates of deposit.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2009.

Following Ohio Statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2009 amounted to \$42,763, which includes \$10,109 assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash and cash equivalents.

E. Restricted Assets

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

F. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

G. Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

J. Long-Term Obligations

The School District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure are reported at inception. Lease payments are reported when paid.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and State grants restricted to cash disbursement for specified purposes. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

L. Fund Balance Reserves

The School District reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, textbooks and instructional materials, bus purchases, and contributions.

M. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund and function level for the General Fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The Treasurer has been authorized to allocate Board appropriations to the object level in the General Fund and the function and object level within all other funds.

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated receipts. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

N. Internal Activity

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements 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 disbursements to the funds that initially paid for them are not presented on the financial statements. The School District reports advances in and advances out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

3. COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net assets/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

4. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are: outstanding year-end encumbrances, which are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis); and unrecorded cash and disbursements, which represents amounts received and disbursed but not included on the budget basis Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual (Budget Basis). These amounts are included as receipts and disbursements on the cash basis Statement of Cash Receipts, Disbursements and Changes in Fund Balances –Cash Basis.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	Net Change in Fund Balance
Cash Basis	\$606,618
Unrecorded Cash - Fiscal Year 2009	712
Unrecorded Cash - Fiscal Year 2008	(9,623)
Adjustment for Encumbrances	(157,778)
Budget Basis	\$439,929

5. DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

- 6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
- 7. The State Treasurer's investment pool (STAROhio); and
- 8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits - Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At June 30, 2009, the carrying amount of the School District's deposits was \$1,265,910 and the bank balance was \$1,335,884. Of the bank balance, \$1,335,884 was covered by federal depository insurance.

Investments - As of June 30, 2009, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-2
STAROhio	\$2,551,106	\$2,551,106	
Negotiable Certificates of Deposit	46,506		\$46,506
Totals	<u>\$2,597,612</u>	<u>\$2,551,106</u>	<u>\$46,506</u>

Interest Rate Risk – The School 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 School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk – STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The School District's investment policy limits investments to those authorized by State statute.

Concentration of Credit Risk – The School 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.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2009 represents collections of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in calendar year 2009 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Shelby, Darke, and Miami Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second- Half Collections		2009 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$41,801,180	95.77%	\$45,095,130	97.33%
Public Utility	1,239,770	2.84	1,062,570	2.29
General Business Personal	605,710	1.39	175,880	0.38
Total Assessed Value	<u>\$43,646,660</u>	<u>100.00%</u>	<u>\$46,333,580</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$35.47		\$35.47	

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

7. INCOME TAX

The School District levies a voted tax of 1.75 percent for general operations on the income of residents and of estates. The 1.00 percent tax was effective on January 1, 1982, while the 0.75 percent tax was effective on January 1, 1992. Both are a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax receipts are credited to the General Fund.

8. RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the School District joined together with other School Districts in Ohio and participated in the Southwestern Ohio Educational Purchasing Council Property, Fleet, and Liability Insurance Program, an insurance purchasing pool (See Note 16).

Coverage is provided as follows:

Property (\$1,000 deductible, subject to scheduled limits)	\$300,000,000
Boiler and Machinery (\$2,500 deductible)	100,000,000
Auto Liability/Physical Damage (\$1,000 deductible)	1,000,000
Uninsured/Underinsured Motorists	1,000,000
General Liability (per occurrence/aggregate)	1,000,000/3,000,000
Educator Legal Liability (\$5,000 deductible, per occurrence/aggregate)	1,000,000
Umbrella Coverage (per occurrence/aggregate)	5,000,000

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

B. Medical Benefits

For fiscal year 2009, the School District participated in the Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust), a public entity shared risk pool consisting of 55 school districts (Note 17). The School District pays monthly premiums to the Trust for employee medical, dental, and vision insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

8. RISK MANAGEMENT (Continued)

C. Workers' Compensation

For fiscal year 2009, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Corvel Corporation provides administrative, cost control, and actuarial services to the GRP.

9. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$73,454, \$73,716, and \$82,722, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

9. DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy – For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$304,746, \$298,896, and \$305,136, respectively; 100 percent has been contributed for all three fiscal years. Contributions to the DC and Combined Plans for fiscal year 2009 were \$1,004 made by the School District and \$14,541 made by the plan members.

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 Employees Retirement System. As of June 30, 2009, two members of the Board of Education have elected Social Security. The remaining Board members contribute to SERS. The Board's liability is 6.2 percent of wages paid.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

10. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 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 2009, this amount was \$35,800.

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

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$45,809, \$45,778, and \$37,395, respectively; 100 percent has been contributed for all three fiscal years.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$6,061, \$5,311, and \$5,267, respectively; 100 percent has been contributed for all three fiscal years.

B. State Teachers Retirement System of Ohio

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

10. POST-EMPLOYMENT BENEFITS (Continued)

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 postemployment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$23,442, \$22,992, and \$23,472, respectively; 100 percent has been contributed for all three fiscal years.

11. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2009 were as follows:

	<u>Principal Outstanding 6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding 6/30/09</u>	<u>Amounts Due in One Year</u>
Governmental Activities:					
School Improvement Bonds 2000 - 4.30% - 5.25%	\$ 141,913		\$ 65,000	\$ 76,913	\$ 65,000
School Improvement Refunding Bonds 2007 - 4.00% - 4.75%	919,999		15,000	904,999	15,000
Capital Lease		\$353,000	62,000	291,000	63,000
Total Long-Term Liabilities	<u>\$1,061,912</u>	<u>\$353,000</u>	<u>\$142,000</u>	<u>\$1,272,912</u>	<u>\$143,000</u>

School Improvement General Obligation Bonds – The School District issued bonds in the amount of \$1,466,912 during fiscal year 2000. Of these bonds, \$530,000 are serial bonds, with maturity dates of December 1, 2000, to December 1, 2009, and \$925,000 are term bonds, with a maturity date of December 1, 2021. \$11,912 of the bonds are capital appreciation bonds, with maturity dates of December 1, 2010, and 2011. The maturity amount is \$70,000 and \$65,000, respectively. The bonds were issued for a 23-year period with final maturity to occur during fiscal year 2022. During fiscal year 2008, the School District retired \$60,000 and \$924,999 of the bonds were advance refunded. The new final maturity is June 1, 2012. The debt will be retired from the Bond Retirement Debt Service Fund.

Bradford Exempted Village School District School Improvement General Obligation Refunding Bonds – The 2008 Refunding Bonds were issued July 12, 2007, for the purpose of advance refunding \$924,999 of the \$1,126,912 outstanding school improvement general obligation bonds. The net proceeds of the 2008 bonds were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. The bonds were issued for a 15-year period with final maturity to occur during fiscal year 2022. The debt will be retired from the Bond Retirement Debt Service Fund.

The capital lease will be paid from the General Fund.

The School District's overall legal debt margin was \$3,332,730 with an unvoted debt margin of \$46,020 at June 30, 2009.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

11. LONG-TERM OBLIGATIONS (Continued)

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2009, are as follows:

Year Ending June 30,	Serial Bonds		Capital Appreciation Bonds		Current Interest Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$65,000	\$1,706			\$ 15,000	\$ 35,544
2011			\$ 6,814	\$ 63,186	15,000	34,944
2012			5,099	59,901	20,000	34,244
2013					90,000	32,044
2014					95,000	28,344
2015-2019					525,000	81,040
2020-2022			29,999	210,001	115,000	2,444
Total	\$65,000	\$1,706	\$41,912	\$333,088	\$875,000	\$248,604

12. CAPITAL LEASES - LESSEE DISCLOSURE

During fiscal year 2009, the School District entered into a lease-purchase agreement with the Columbus Regional Airport Authority for the acquisition, construction and installation of energy conservation improvement. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority has assigned US Bank as trustee. The Columbus Regional Airport Authority deposited \$353,000 with the trustee for the project. Amounts are reimbursed to the School District for disbursements made on work completed. As of June 30, 2009, the entire amount was expended.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2009.

Ending June 30,	Payments
2010	\$ 72,615
2011	80,329
2012	80,746
2013	81,059
Total minimum lease payments	314,749
Less: amount representing interest	(23,749)
Present value of minimum lease payments	<u>\$291,000</u>

13. INTERFUND TRANSFERS

The General Fund had transfers out to the Other Governmental Funds of \$10,000. Transfers are used to move General Fund revenues that are used to subsidize various programs in other funds.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

14. JOINTLY GOVERNED ORGANIZATIONS

A. Upper Valley Joint Vocational School District

The Upper Valley Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from each of the seven participating district's elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following school districts: Bradford Exempted Village School District, Covington Exempted Village School District, and Miami County Educational Service Center. Two members are appointed from the following city and/or local school districts: Piqua, Sidney, Troy and Shelby County Educational Service Center. During fiscal year 2009, the School District did not contribute any money to the Upper Valley Joint Vocational School District. To obtain financial information write to the Upper Valley Joint Vocational School, Amy Twarek, who services as Treasurer, at 8811 Career Drive, Piqua, Ohio 45356-9254.

B. Metropolitan Dayton Educational Cooperative Association

The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a computer consortium. MDECA is an association of public school districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member School Districts.

The governing board of MDECA consists of seven Superintendents of member school districts, with six of the Superintendents elected by majority vote of all member school districts with the exception of the Montgomery County Educational Service Center. The seventh Superintendent is from the Montgomery County Educational Service Center. During fiscal year 2009, the School District paid \$10,891 to MDECA. Financial information can be obtained from Jerry Woodyard, who serves as Director, at 225 Linwood Street, Dayton, Ohio 45405.

C. Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year's prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

Payments to SOEPC are made from the General Fund. During fiscal year 2009, the School District paid \$1,301 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

15. RELATED ORGANIZATION

Bradford Public Library

The Bradford Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Bradford School Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Bradford Public Library, Janice Sarver, Clerk/Treasurer, at 138 East Main Street, Bradford, Ohio 45308.

16. INSURANCE PURCHASING POOLS

A. Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an 11 member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each fiscal year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Southwestern Ohio Educational Purchasing Council Medical Benefits Plan

The School District participates in the Southwestern Ohio Educational Purchasing Council Property, Fleet and Liability Insurance Program (PFL). The PFL's business and affairs are conducted by a six member committee consisting of various PFL representatives that are elected by the general assembly. The purpose of the Property, Fleet, and Liability Insurance Program of the SOEPC is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage and other protections for participating school districts.

17. PUBLIC ENTITY SHARED RISK POOL

Southwestern Ohio Educational Purchasing Council Benefit Plan Trust

The Southwestern Ohio Educational Purchasing Council Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of 55 school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Council and its participating members. Each participant decides which plans offered by the Trust will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information can be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

18. SET-ASIDE CALCULATIONS

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

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

	Textbooks and Instructional Materials	Capital Improvements
Set-aside Reserve Balance June 30, 2008	\$ 81,800	
Current Fiscal Year Set-aside Requirement	99,043	\$99,043
Qualifying Disbursements	(41,194)	(13,982)
School Improvement Bond Proceeds		(85,061)
Totals	\$139,649	\$ 0
Set-aside Balance Carried Forward to Future Fiscal Years	\$139,649	\$ 0
Set-aside Reserve Balance June 30, 2009	\$139,649	\$ 0

Amounts of offsets and qualifying disbursements presented in the table for capital improvements were limited to those necessary to reduce the fiscal year-end balance to zero.

19. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2009.

B. Litigation

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

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(Continued)**

20. DONOR RESTRICTED ENDOWMENTS

The School District's permanent fund and private purpose trust fund includes donor-restricted endowments. These assets are shown as non-expendable net assets to represent the principal portion of the endowment. The amount of net appreciation in donor-restricted investments that is available for expenditures by the governing body is shown as expendable net assets. State law permits the governing board to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowment of the permanent improvement fund indicates that the interest should be used for the kindergarten classroom. The endowments of the private purpose funds indicate that the interest should be used to provide scholarships.

This page intentionally left blank.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass Through Grantor Program Title		Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>(Passed through the Ohio Department of Education)</i>						
Nutrition Cluster:						
School Breakfast Program	2010	10.553	\$28,566		\$28,566	
National School Lunch Program	2010	10.555	112,866	\$21,440	112,866	\$21,440
Total Nutrition Cluster			<u>141,432</u>	<u>21,440</u>	<u>141,432</u>	<u>21,440</u>
Total U.S. Department of Agriculture			141,432	21,440	141,432	21,440
U.S. DEPARTMENT OF EDUCATION						
<i>(Passed through the Ohio Department of Education)</i>						
Title I Grants to Local Educational Agencies Cluster						
Title I Grants to Local Educational Agencies	2009	84.010	10,193		10,586	
	2010	84.010	61,176		61,274	
Total Title I Grants to Local Educational Agencies			<u>71,369</u>		<u>71,860</u>	
ARRA - Title I Grants to Local Educational Agencies	2010	84.389	41,485		41,485	
Total Title I Grants to Local Educational Agencies Cluster			112,854		113,345	
Safe & Drug Free School and Community - State Grants	2010	84.186	2,172		2,172	
Education Technology State Grants	2009	84.318	68			
Rural Education	2009	84.358	2,019		2,019	
	2010	84.358	13,836		13,836	
Total Rural Education			<u>15,855</u>		<u>15,855</u>	
Improving Teacher Quality State Grants	2010	84.367	37,725		37,725	
ARRA - State Fiscal Stabilization Funds	2010	84.394	210,786		209,434	
Total U.S. Department of Education			<u>379,460</u>		<u>378,531</u>	
Total Federal Assistance			<u>\$520,892</u>	<u>\$21,440</u>	<u>\$519,963</u>	<u>\$21,440</u>

See Accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures.

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Bradford Exempted Village School District (the School District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the School District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The School District reports commodities consumed on the Schedule at the fair value.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the School District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



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*

Bradford Exempted Village School District
Miami County
760 Railroad Avenue
Bradford, Ohio 45308

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Bradford Exempted Village School District (the School District) as of and for the years ended June 30, 2010 and 2009, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 21, 2010, wherein we noted the School District uses a comprehensive basis of accounting other than generally accepted accounting principles. 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 School District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the School District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School District's internal control over financial reporting.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

**Compliance and Other Matters
(Continued)**

We also noted certain matters not requiring inclusion in this report that we reported to the School District's management in a separate letter dated October 21, 2010.

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

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

October 21, 2010



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Bradford Exempted Village School District
Miami County
760 Railroad Avenue
Bradford, Ohio 45308

To the Board of Education:

Compliance

We have audited the compliance of Bradford Exempted Village School District, Miami County (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Bradford Exempted Village School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

**Internal Control Over Compliance
(Continued)**

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

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

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 21, 2010

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #84.394: State Fiscal Stabilization Fund CFDA #84.010: Title I Grants to Local Educational Agencies CFDA #84.389: Title I Grants to Local Educational Agencies - Recovery Act
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

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

FINDING NUMBER 2010-001

Material Non-compliance

Ohio Rev. Code Section 117.38 provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

Ohio Admin. Code Section 117-2-03 (B) requires School Districts to prepare their annual financial report in accordance with generally accepted accounting principles (GAAP). However, the Bradford Exempted Village School District prepared its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38 the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The School District should prepare its annual financial reports in accordance with generally accepted accounting principles.

Officials' Response:

After analyzing the cost of filing and having a GAAP report audited versus the benefit we would obtain and considering our current financial forecast and the economic outlook, it was decided to file a cash report. We felt the savings of our taxpayers money far outweighed the citation.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**BRADFORD EXEMPTED VILLAGE SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	ORC Section 117.38/ OAC Section 117-2-03 (B) – preparation of financial statements in accordance with generally accepted accounting principles.	No	Not Corrected; Repeated as Finding Number 2010-001.

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Bradford Exempted Village School District
Miami County
760 Railroad Avenue
Bradford, Ohio 45308

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Bradford Exempted Village School District, Miami County (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on June 9, 2003 and was re-adopted on December 17, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 21, 2010



Mary Taylor, CPA
Auditor of State

BRADFORD EXEMPTED VILLAGE OF SCHOOL DISTRICT

MIAMI 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
NOVEMBER 23, 2010**