



Mary Taylor, CPA  
Auditor of State





# Dave Yost • Auditor of State

February 15, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Reports completed prior to that date contain the signature of my predecessor.

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DAVE YOST  
Auditor of State

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**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Edison Local School District  
Jefferson County  
P.O. Box 158  
Hammondsville, Ohio 43930

To the Board of Education:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule 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

November 19, 2010



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- In total, net assets of governmental activities increased \$1,154,364 which represents a 39.76% increase from 2009.
- General revenues accounted for \$17,584,105 in revenue or 78.55% of all revenues. Program specific revenues, in the form of charges for services and sales, grants and contributions accounted for \$4,802,000 or 21.45% of total revenues of \$22,386,105.
- The District had \$21,231,741 in expenses related to governmental activities; only \$4,802,000 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$17,584,105 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$18,560,132 in revenues and other financing sources and \$17,751,276 in expenditures and other financing uses. During fiscal year 2010, the general fund's fund deficit balance decreased \$808,856 from a deficit of \$376,863 to a positive balance of \$431,993.

**Using the Basic Financial Statements**

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

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

**Reporting the District as a Whole**

*Statement of Net Assets and the Statement of Activities*

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

In the statement of net assets and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13-14 of this report.

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

***Fund Financial Statements***

The analysis of the District's major governmental fund begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 20 and 21. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

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

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 22-49 of this report.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**The District as a Whole**

The table below provides a summary of the District's net assets for 2010 and 2009.

	Net Assets	
	Governmental Activities 2010	Governmental Activities 2009
	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 10,689,285	\$ 10,757,875
Capital assets, net	<u>4,439,134</u>	<u>4,474,475</u>
Total assets	<u>15,128,419</u>	<u>15,232,350</u>
<b><u>Liabilities</u></b>		
Current liabilities	9,391,231	10,205,671
Long-term liabilities	<u>1,679,203</u>	<u>2,123,058</u>
Total liabilities	<u>11,070,434</u>	<u>12,328,729</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	4,195,165	3,728,345
Restricted	186,836	512,373
Unrestricted (deficit)	<u>(324,016)</u>	<u>(1,337,097)</u>
Total net assets	<u>\$ 4,057,985</u>	<u>\$ 2,903,621</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$4,057,985.

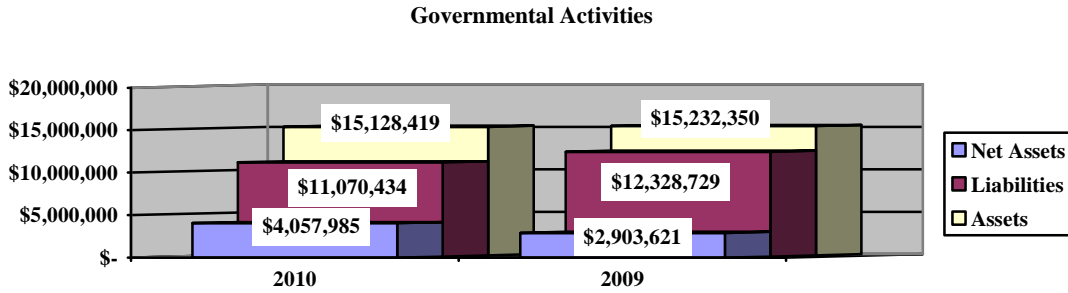
At year-end, capital assets represented 29.34% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles, textbooks and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2010, were \$4,195,165. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$186,836, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$324,016.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

The graph below illustrates the governmental activities assets, liabilities and net assets at June 30, 2010 and 2009:



The table below shows the change in net assets for fiscal year 2010 and 2009.

**Change in Net Assets**

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,132,022	\$ 1,152,803
Operating grants and contributions	3,669,978	3,544,682
Capital grants and contributions	-	26,058
General revenues:		
Property taxes	8,200,456	7,845,442
Grants and entitlements	9,208,687	8,371,415
Investment earnings	2,518	4,280
Other	<u>172,444</u>	<u>83,427</u>
Total revenues	\$ <u>22,386,105</u>	\$ <u>21,028,107</u>

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

	<b>Change in Net Assets</b>	
	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 7,247,432	\$ 7,485,168
Special	2,231,971	1,648,661
Vocational	122,386	117,719
Adult education	4,000	4,250
Other	2,331,716	2,106,597
Support services:		
Pupil	856,615	770,742
Instructional staff	1,159,520	1,240,556
Board of education	155,838	179,447
Administration	1,514,052	1,591,751
Fiscal	474,601	349,383
Business	112,017	125,138
Operations and maintenance	1,633,614	1,711,838
Pupil transportation	1,943,303	2,292,644
Central	183,093	205,349
Food service operations	781,167	840,166
Operation of non-instructional services	2,455	20,071
Extracurricular activities	443,884	415,371
Interest and fiscal charges	34,077	39,354
<b>Total expenses</b>	<b><u>21,231,741</u></b>	<b><u>21,144,205</u></b>
Change in net assets	1,154,364	(116,098)
Net assets at beginning of year	<u>2,903,621</u>	<u>3,019,719</u>
Net assets at end of year	<b><u>\$ 4,057,985</u></b>	<b><u>\$ 2,903,621</u></b>

**Governmental Activities**

Net assets of the District's governmental activities increased \$1,154,364. Total governmental expenses of \$21,231,741 were offset by program revenues of \$4,802,000, and general revenues of \$17,584,105. Program revenues supported 22.62% of the total governmental expenses.

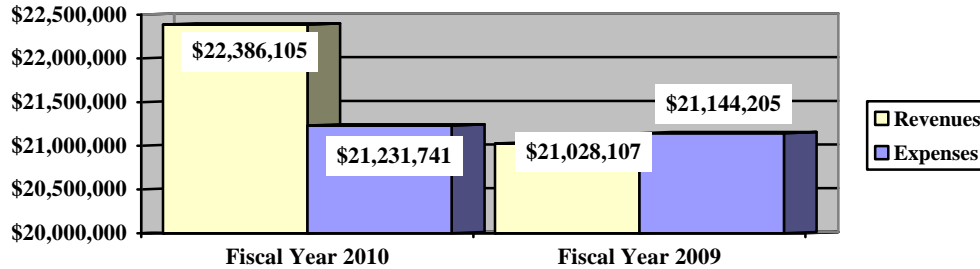
The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants. These revenue sources represent 77.77% of total governmental revenue. Real estate property is reappraised every six years. As a result of the latest reappraisal by Jefferson County in 2006, the District's tax valuation increased slightly. With the increase in property valuation the District is now operating at the 20 mil floor which is the State minimum required property tax funding for a school district's operations. Due to this, the District is able to receive the full advantage of property tax valuation increases.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

**Governmental Activities - Revenues and Expenses**



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

**Governmental Activities**

	Total Cost of Services 2010	Net Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2009
<b>Program expenses</b>				
Instruction:				
Regular	\$ 7,247,432	\$ 6,321,273	\$ 7,485,168	\$ 6,046,467
Special	2,231,971	1,244,886	1,648,661	839,090
Vocational	122,386	1,119	117,719	8,304
Adult education	4,000	(472)	4,250	1,939
Other	2,331,716	2,331,716	2,106,597	2,106,597
Support services:				
Pupil	856,615	496,668	770,742	469,882
Instructional staff	1,159,520	477,190	1,240,556	431,459
Board of education	155,838	155,838	179,447	179,447
Administration	1,514,052	889,591	1,591,751	1,457,506
Fiscal	474,601	474,601	349,383	349,383
Business	112,017	112,017	125,138	125,138
Operations and maintenance	1,633,614	1,612,932	1,711,838	1,706,781
Pupil transportation	1,943,303	1,798,542	2,292,644	2,127,151
Central	183,093	173,344	205,349	188,175
Food service operations	781,167	(2,836)	840,166	52,462
Operation of non-instructional services	2,455	1,213	20,071	13,323
Extracurricular activities	443,884	308,042	415,371	278,204
Interest and fiscal charges	34,077	34,077	39,354	39,354
<b>Total expenses</b>	<u>\$ 21,231,741</u>	<u>\$ 16,429,741</u>	<u>\$ 21,144,205</u>	<u>\$ 16,420,662</u>

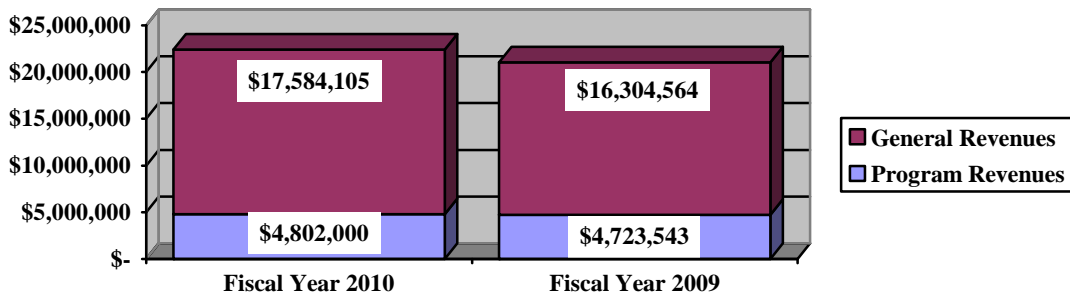
**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

The dependence upon tax and other general revenues for governmental activities is apparent, 82.92% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 77.38%. The District's taxpayers, as a whole, are by far the primary support for District's students.

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

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of \$553,536, which is a greater than last year's deficit fund balance of \$106,874. The schedule below indicates the fund balance and the total change in fund deficit balance as of June 30, 2010 and 2009.

	Fund Balance June 30, 2010	Fund Balance (Deficit) June 30, 2009	Increase (Decrease)
General	\$ 431,993	\$ (376,863)	\$ 808,856
Other Governmental	121,543	269,989	(148,446)
<b>Total</b>	<u>\$ 553,536</u>	<u>\$ (106,874)</u>	<u>\$ 660,410</u>

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

***General Fund***

The District's general fund balance increased \$808,856. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2010 <u>Amount</u>	2009 <u>Amount</u>	Increase (Decrease)	Percentage Change
<b><u>Revenues</u></b>				
Taxes	\$ 8,157,785	\$ 7,798,742	\$ 359,043	4.60 %
Tuition	692,929	684,685	8,244	1.20 %
Earnings on investments	2,518	1,315	1,203	91.48 %
Intergovernmental	9,329,954	8,943,279	386,675	4.32 %
Other revenues	<u>215,523</u>	<u>131,646</u>	<u>83,877</u>	63.71 %
Total	<u>\$ 18,398,709</u>	<u>\$ 17,559,667</u>	<u>\$ 839,042</u>	4.78 %
<b><u>Expenditures</u></b>				
Instruction	\$ 10,623,107	\$ 9,947,940	\$ 675,167	6.79 %
Support services	6,258,456	6,919,677	(661,221)	(9.56) %
Operation of non-instructional services	-	5,440	(5,440)	(100.00) %
Extracurricular activities	259,938	241,933	18,005	7.44 %
Debt Service	<u>372,105</u>	<u>139,455</u>	<u>232,650</u>	166.83 %
Total	<u>\$ 17,513,606</u>	<u>\$ 17,254,445</u>	<u>\$ 259,161</u>	1.50 %

The \$1,203 increase in earnings on investments was a result of higher interest bearing accounts held by the District during the year. Other revenues increased 63.71% due to increased contributions and donation and parking fee revenues. Support services expenditures decreased 9.56% and debt service expenditures increased 166.83% mainly due to the District paying all of their bus lease purchase agreement during the year. All other revenues and expenditures remained comparable to prior years.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2010, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$18,404,797, which is higher than the original budgeted revenues and financing sources of \$17,717,100. Actual revenues and other financing sources for fiscal year 2010 was \$18,470,124. This represents a \$65,327 increase from final budgeted revenues.

General funds final appropriations and other financing uses were \$19,377,014, which is higher than the original appropriations and other financing uses of \$18,689,167. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$18,035,458, which was \$1,341,556 lower than the final budget appropriations.



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2010, the District had \$4,439,134 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and infrastructure. This entire amount is reported in governmental activities. The following table shows fiscal year 2010 balances compared to 2009:

<b>Capital Assets at June 30 (Net of Depreciation)</b>		
<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>
Land	\$ 121,734	\$ 121,734
Land improvements	204,664	207,510
Buildings and improvements	2,959,559	2,964,278
Furniture and equipment	218,020	147,996
Vehicles	920,803	989,576
Textbooks	-	27,475
Infrastructure	<u>14,354</u>	<u>15,906</u>
Total	<u>\$ 4,439,134</u>	<u>\$ 4,474,475</u>

Total additions to capital assets for 2010 were \$424,376 and depreciation expense was \$459,717 for fiscal year 2010.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

**Debt Administration**

At June 30, 2010, the District had \$243,969 in bonds payable outstanding. Of this total, \$119,318 is due within one year and \$124,651 is due in greater than one year.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

The following table summarizes the bonds and leases outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>
Bonds payable	\$ 243,969	\$ 358,181
Lease obligations	-	18,301
Lease purchase agreement	-	<u>387,949</u>
Total	<u>\$ 243,969</u>	<u>\$ 764,431</u>

At June 30, 2010, the District's overall legal debt margin was \$29,887,860 and an unvoted debt margin of \$334,796.

See Note 11 to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

On April 2, 2009 the Auditor of the State determined that the District had met the Guidelines for Release from Fiscal Watch as published by the Auditor of the State and the Ohio Department of Education and removed from Fiscal Watch. The District entered into a contract January 1, 2008 with Medical Mutual of Ohio to provide a fully insured insurance program. Medical Mutual agreed with the Group to provide to all eligible covered persons, the covered services described in the certificates, schedules of benefits, riders, and amendments listed in the contract. The District believes this is the first step in reducing health care costs. Also, the District placed a 2.75 mil levy on the November 2008 ballot for a five year period that failed to gain the support of the community. The levy would have generated approximately \$924,000 annually. The current emergency levy was approved by voters November 8, 2005 for five years for 2.3 mils and generates \$1,049,900 annually.

The last challenge facing the District is the future of State funding. The State Foundation formula and the per pupil amount are subject to change every two years as the Governor and the General Assembly prepare the biennial budget for the State. The biennial budget passed by the General Assembly for fiscal year 2011 includes significant changes in the methodology for funding schools. Initial estimates indicate the District could lose approximately \$170,000 in fiscal year 2011.

HB 66 is eliminating Tangible Personal Property Tax. This represents approximately 2% of the District's general fund revenue. The State will have a partial revenue replacement mechanism in place through fiscal year 2010. Local collection began decreasing starting in fiscal year 2007 and State foundation will increase and the phase out of State monies will begin in fiscal year 2011. The State is hoping that by taking this burden from business owners, they will be more inclined to expand and develop new businesses. The plan is to jump start the economy.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. Dennis G. Menoski, Treasurer, Edison Local School District, 14890 St. Rt. 213, P.O. Box 158, Hammondsville, Ohio 43930.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2010

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 1,802,547
Receivables:	
Taxes. . . . .	8,610,478
Accounts. . . . .	4,455
Intergovernmental . . . . .	205,524
Prepayments . . . . .	49,180
Materials and supplies inventory. . . . .	17,101
Capital assets:	
Land . . . . .	121,734
Depreciable capital assets, net. . . . .	4,317,400
Total Capital assets, net . . . . .	4,439,134
 Total assets. . . . .	 15,128,419
<b>Liabilities:</b>	
Accounts payable. . . . .	45,548
Accrued wages and benefits . . . . .	1,451,668
Pension obligation payable. . . . .	422,131
Intergovernmental payable . . . . .	45,975
Accrued interest payable . . . . .	909
Unearned revenue . . . . .	7,425,000
Long-term liabilities:	
Due within one year. . . . .	371,938
Due in more than one year . . . . .	1,307,265
 Total liabilities . . . . .	 11,070,434
<b>Net Assets:</b>	
Invested in capital assets, net of related debt. . . . .	4,195,165
Restricted for:	
Capital projects . . . . .	76,825
Debt service. . . . .	229
State funded programs. . . . .	11,970
Federally funded programs . . . . .	1,207
Student activities . . . . .	30,543
Public school support . . . . .	16,332
Other purposes . . . . .	49,730
Unrestricted (deficit) . . . . .	(324,016)
 Total net assets . . . . .	 \$ 4,057,985

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 7,247,432	\$ 692,959	\$ 233,200	\$ (6,321,273)
Special . . . . .	2,231,971	-	987,085	(1,244,886)
Vocational . . . . .	122,386	-	121,267	(1,119)
Adult education . . . . .	4,000	-	4,472	472
Other . . . . .	2,331,716	-	-	(2,331,716)
Support services:				
Pupil. . . . .	856,615	-	359,947	(496,668)
Instructional staff . . . . .	1,159,520	-	682,330	(477,190)
Board of education . . . . .	155,838	-	-	(155,838)
Administration. . . . .	1,514,052	41,085	583,376	(889,591)
Fiscal. . . . .	474,601	-	-	(474,601)
Business. . . . .	112,017	-	-	(112,017)
Operations and maintenance . . . . .	1,633,614	3,350	17,332	(1,612,932)
Pupil transportation. . . . .	1,943,303	39,699	105,062	(1,798,542)
Central . . . . .	183,093	-	9,749	(173,344)
Operation of non-instructional services:				
Food service operations . . . . .	781,167	226,332	557,671	2,836
Other non-instructional services . . . . .	2,455	-	1,242	(1,213)
Extracurricular activities. . . . .	443,884	128,597	7,245	(308,042)
Interest and fiscal charges . . . . .	34,077	-	-	(34,077)
<b>Total governmental activities . . . . .</b>	<b>\$ 21,231,741</b>	<b>\$ 1,132,022</b>	<b>\$ 3,669,978</b>	<b>(16,429,741)</b>
		<b>General Revenues:</b>		
		Property taxes levied for:		
		General purposes . . . . .		8,200,456
		Grants and entitlements not restricted to specific programs. . . . .		9,208,687
		Investment earnings. . . . .		2,518
		Miscellaneous . . . . .		172,444
		<b>Total general revenues . . . . .</b>		<b>17,584,105</b>
		Change in net assets . . . . .		1,154,364
		<b>Net assets at beginning of year. . . . .</b>		<b>2,903,621</b>
		<b>Net assets at end of year . . . . .</b>		<b>\$ 4,057,985</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 1,541,315	\$ 221,431	\$ 1,762,746
Receivables:			
Taxes . . . . .	8,610,478	-	8,610,478
Accounts. . . . .	2,605	1,850	4,455
Intergovernmental . . . . .	185	205,339	205,524
Interfund loans. . . . .	5,400	-	5,400
Prepayments. . . . .	46,758	2,422	49,180
Materials and supplies inventory. . . . .	-	17,101	17,101
Due from other funds . . . . .	4,280	-	4,280
Restricted assets:			
Equity in pooled cash and cash equivalents . . . . .	39,801	-	39,801
Total assets . . . . .	<u>\$ 10,250,822</u>	<u>\$ 448,143</u>	<u>\$ 10,698,965</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 41,757	\$ 3,791	\$ 45,548
Accrued wages and benefits . . . . .	1,248,292	203,376	1,451,668
Compensated absences payable . . . . .	68,529	-	68,529
Pension obligation payable. . . . .	350,416	71,715	422,131
Intergovernmental payable. . . . .	37,357	8,618	45,975
Interfund loans payable . . . . .	-	5,400	5,400
Due to other funds . . . . .	-	4,280	4,280
Deferred revenue . . . . .	647,478	29,420	676,898
Unearned revenue. . . . .	7,425,000	-	7,425,000
Total liabilities. . . . .	<u>9,818,829</u>	<u>326,600</u>	<u>10,145,429</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	136,997	27,165	164,162
Reserved for materials and supplies inventory. . . . .	-	17,101	17,101
Reserved for prepayments. . . . .	46,758	2,422	49,180
Reserved for property taxes . . . . .	538,000	-	538,000
Reserved for debt service . . . . .	-	229	229
Reserved for textbooks . . . . .	39,801	-	39,801
Unreserved, undesignated (deficit), reported in:			
General fund. . . . .	(329,563)	-	(329,563)
Special revenue funds . . . . .	-	(2,199)	(2,199)
Capital projects funds . . . . .	-	76,825	76,825
Total fund balances . . . . .	<u>431,993</u>	<u>121,543</u>	<u>553,536</u>
Total liabilities and fund balances . . . . .	<u>\$ 10,250,822</u>	<u>\$ 448,143</u>	<u>\$ 10,698,965</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$	553,536
 <i>Amounts reported for governmental activities on the statement of net assets are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			4,439,134
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes receivable	\$	647,478	
Intergovernmental receivable		<u>29,420</u>	
Total			676,898
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.			(909)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences payable		1,366,705	
Bonds payable		<u>243,969</u>	
Total			<u>(1,610,674)</u>
<b>Net assets of governmental activities</b>		<u>\$</u>	<u>4,057,985</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ 8,157,785	\$ -	\$ 8,157,785
Tuition. . . . .	692,929	-	692,929
Charges for services . . . . .	-	226,332	226,332
Transportation fees. . . . .	39,699	-	39,699
Earnings on investments . . . . .	2,518	-	2,518
Extracurricular. . . . .	-	169,682	169,682
Other local revenues . . . . .	175,824	24,663	200,487
Intergovernmental - State . . . . .	9,329,954	342,830	9,672,784
Intergovernmental - Federal . . . . .	-	3,160,113	3,160,113
Total revenue . . . . .	<u>18,398,709</u>	<u>3,923,620</u>	<u>22,322,329</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular. . . . .	6,943,313	252,153	7,195,466
Special . . . . .	1,227,440	973,993	2,201,433
Vocational . . . . .	121,066	-	121,066
Adult education . . . . .	-	4,000	4,000
Other . . . . .	2,331,288	-	2,331,288
Support services:			
Pupil . . . . .	513,031	361,110	874,141
Instructional staff. . . . .	401,635	714,111	1,115,746
Board of education . . . . .	155,838	-	155,838
Administration . . . . .	856,094	638,372	1,494,466
Fiscal . . . . .	473,942	-	473,942
Business. . . . .	107,935	-	107,935
Operations and maintenance . . . . .	1,754,594	15,522	1,770,116
Pupil transportation . . . . .	1,827,918	65,695	1,893,613
Central . . . . .	167,469	14,324	181,793
Operation of non-instructional services:			
Food service operations . . . . .	-	777,039	777,039
Other non-instructional services. . . . .	-	2,455	2,455
Extracurricular activities . . . . .	259,938	147,821	407,759
Debt service:			
Principal retirement. . . . .	353,877	166,585	520,462
Interest and fiscal charges . . . . .	18,228	16,274	34,502
Total expenditures . . . . .	<u>17,513,606</u>	<u>4,149,454</u>	<u>21,663,060</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>885,103</u>	<u>(225,834)</u>	<u>659,269</u>
<b>Other financing sources (uses):</b>			
Transfers in. . . . .	161,423	237,670	399,093
Transfers (out) . . . . .	<u>(237,670)</u>	<u>(161,423)</u>	<u>(399,093)</u>
Total other financing sources (uses) . . . . .	<u>(76,247)</u>	<u>76,247</u>	<u>-</u>
Net change in fund balances . . . . .	808,856	(149,587)	659,269
<b>Fund balances (deficit) at</b>			
<b>beginning of year. . . . .</b>	(376,863)	269,989	(106,874)
<b>Increase in reserve for inventory . . . . .</b>	-	1,141	1,141
<b>Fund balances at end of year. . . . .</b>	<u>\$ 431,993</u>	<u>\$ 121,543</u>	<u>\$ 553,536</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	\$	659,269
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$ 424,376	
Current year depreciation	<u>(459,717)</u>	
Total		(35,341)
 Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		
		1,141
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	42,671	
Intergovernmental revenue	<u>21,105</u>	
Total		63,776
 Payment of debt principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net assets.		
		520,462
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		425
 Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(55,368)</u>
<b>Change in net assets of governmental activities</b>	<b>\$</b>	<b><u><u>1,154,364</u></u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 8,082,000	\$ 8,082,000	\$ 7,966,059	\$ (115,941)
Tuition . . . . .	723,000	717,000	692,929	(24,071)
Transportation fees . . . . .	71,000	61,000	41,148	(19,852)
Earnings on investments . . . . .	10,000	10,000	2,518	(7,482)
Classroom materials and fees . . . . .	100	100	-	(100)
Other local revenues . . . . .	37,500	104,000	169,762	65,762
Intergovernmental - State . . . . .	8,755,000	9,392,197	9,329,770	(62,427)
Total revenue . . . . .	<u>17,678,600</u>	<u>18,366,297</u>	<u>18,202,186</u>	<u>(164,111)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	6,810,456	7,510,456	7,121,178	389,278
Special . . . . .	1,135,415	1,135,415	1,245,022	(109,607)
Vocational . . . . .	187,583	187,583	128,344	59,239
Other . . . . .	2,389,100	2,286,942	2,334,912	(47,970)
Support services:				
Pupil . . . . .	582,620	582,620	487,706	94,914
Instructional staff . . . . .	265,265	265,265	346,746	(81,481)
Board of education . . . . .	169,620	169,620	153,371	16,249
Administration . . . . .	1,554,500	1,554,500	888,002	666,498
Fiscal . . . . .	561,900	561,900	474,044	87,856
Business . . . . .	152,797	152,797	111,086	41,711
Operations and maintenance . . . . .	2,108,669	2,108,669	1,810,316	298,353
Pupil transportation . . . . .	2,058,049	2,148,049	2,258,208	(110,159)
Central . . . . .	168,576	168,576	172,046	(3,470)
Operation of non-instructional services . . . . .	6,400	6,400	-	6,400
Extracurricular activities . . . . .	281,000	281,000	261,407	19,593
Total expenditures . . . . .	<u>18,431,950</u>	<u>19,119,792</u>	<u>17,792,388</u>	<u>1,327,404</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(753,350)</u>	<u>(753,495)</u>	<u>409,798</u>	<u>1,163,293</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	161,423	161,423
Transfers (out) . . . . .	(227,217)	(227,222)	(237,670)	(10,448)
Advances in . . . . .	30,000	30,000	94,000	64,000
Advances (out) . . . . .	(30,000)	(30,000)	(5,400)	24,600
Refund of prior year's expenditures . . . . .	8,000	8,000	7,325	(675)
Sale of capital assets . . . . .	500	500	5,190	4,690
Total other financing sources (uses) . . . . .	<u>(218,717)</u>	<u>(218,722)</u>	<u>24,868</u>	<u>243,590</u>
Net change in fund balance . . . . .	(972,067)	(972,217)	434,666	1,406,883
<b>Fund balance at beginning of year . . . . .</b>	<b>699,332</b>	<b>699,332</b>	<b>699,332</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>272,885</b>	<b>272,885</b>	<b>272,885</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 150</b>	<b>\$ -</b>	<b>\$ 1,406,883</b>	<b>\$ 1,406,883</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 113	\$ 67,781
Investments . . . . .	103,829	-
<b>Receivables:</b>		
Accounts . . . . .	-	675
Total assets. . . . .	103,942	\$ 68,456
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 1,160
Due to students. . . . .	-	67,296
Total liabilities . . . . .	-	\$ 68,456
<b>Net assets:</b>		
Held in trust for scholarships . . . . .	103,942	
Total net assets . . . . .	\$ 103,942	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<b>Private Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 947
Gifts and contributions. . . . .	1,100
Total additions. . . . .	2,047
 <b>Deductions:</b>	
Scholarships awarded . . . . .	1,000
 Change in net assets. . . . .	1,047
<b>Net assets at beginning of year . . . . .</b>	<b>102,895</b>
<b>Net assets at end of year. . . . .</b>	<b>\$ 103,942</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

The Edison Local School District (the "District") is organized under Section 3311.01 of the Ohio Revised Code as a local district. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District currently ranks as the 244<sup>th</sup> largest in terms of total enrollment among the 934 public and community schools in the State of Ohio. The District is staffed by 98 non-certified employees and 144 certified full-time teaching personnel who provide services to 2,179 students and other community members.

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities provided it does not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)

OME-RESA is a computer service organization whose primary function is to provide information technology services to its member districts with the major emphasis being placed on accounting, payroll and inventory control services. Other areas of service provided by OME-RESA include pupil scheduling, attendance and grade reporting, career guidance services, special education records and test scoring.

OME-RESA is one of 23 regional service organizations serving over 600 public districts in the State of Ohio that make up the Ohio Educational Computer Network (OECN). These service organizations are known as Data Acquisition Sites. The OECN is a collective group of Data Acquisition Sites, authorized pursuant to Section 3301.075 of the Ohio Revised Code and their member districts. Such sites, in conjunction with the Ohio Department of Education (ODE), comprise a statewide delivery system to provide comprehensive, cost-efficient accounting and other administrative and instructional computer services for participating Ohio districts.

Major funding for this network is derived from the State of Ohio. In addition, a majority of the software utilized by the OME-RESA is developed by the ODE.

OME-RESA is owned and operated by 49 member districts in 10 different Ohio counties. The member districts are comprised of public districts and county Boards of Education. Each member district pays an annual fee for services provided by OME-RESA. OME-RESA is governed by a Board of Directors, which is selected by the member districts. Each member district has one vote in all matters and each member district's control over budgeting and financing of OME-RESA is limited to its voting authority and any representation it may have on the Board of Directors.

OME-RESA is located at 2023 Sunset Blvd., Steubenville, Ohio 43952. The Jefferson County Educational Service Center is one of OME-RESA's member districts, and acts in the capacity of fiscal agent for OME-RESA. During the year ended June 30, 2010, the District paid approximately \$66,451, to OME-RESA for basic service charges.

Jefferson County Joint Vocational School

The Jefferson County Joint Vocational School (JVS) was established by the Ohio Revised Code, is a jointly governed organization providing vocational services to its six member districts. The JVS is governed by a Board of Education comprised of 11 members appointed by the participating schools. The Board controls the financial activity of the JVS and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the JVS is not dependent on the District's continued participation and no measurable equity interest exists.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

*INSURANCE PURCHASING POOL*

Workers' Compensation Group Rating Program

The District participates in the Ohio Association of School Business Officials (OASBO)/CompManagement, Inc. Workers' Compensation Group Rating Program (GRP). The GRP is sponsored by OASBO and administered by CompManagement, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

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

*PROPRIETARY FUND*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

*FIDUCIARY FUNDS*

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

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

*Government-wide Financial Statements* - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

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

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

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

**D. Basis of Accounting**

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

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

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

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

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

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

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

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

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

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

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

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

**E. Budgets**

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

1. *Tax Budget* - Ohio Revised Code Section 5705.28 required the District to adopt a tax budget for the following fiscal year on or before January 15. This section requires the adopted budget to be submitted to the County Auditor, as Secretary of the County Budget Commission by January 20 of each year, for the period July 1 through June 30 of the following year. The District obtained a waiver as provided for by Ohio Revised Code Section 5705.281, in which they did not have to adopt a tax budget or submit the budget to the County Auditor.
2. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2010.
3. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
4. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
6. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2010. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.

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

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

7. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Cash Equivalents**

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

During fiscal year 2010, investments were limited to certificates of deposit. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund and the private-purpose trust funds. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$2,518, which includes \$601 assigned from other District funds.

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

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**H. Capital Assets**

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

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

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	8 years
Textbooks	6 years
Infrastructure	50 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans and cash deficits are classified as "interfund receivables/payables" and "due to/from other funds", respectively. These amounts are eliminated in the governmental activities column on the statement of net assets.

**J. Compensated Absences**

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

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

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

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

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

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

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

**L. Fund Balance Reserves**

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

**M. Net Assets**

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

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

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

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

**N. Prepayments**

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

**O. Estimates**

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

**P. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish a textbook reserve. This reserve is required by State statute. A schedule of statutory reserves is presented in Note 17.

**Q. Interfund Activity**

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

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2010, the District did not have any transactions that would be considered extraordinary or special.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

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

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

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

**B. Deficit Fund Balances**

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

<u>Nonmajor funds</u>	<u>Deficit</u>
Food service	\$ 27,911
Management information systems	846
Public school preschool	6,528
Education stabilization	1,325
IDEA preschool grant for handicapped	13

The deficit fund balances result from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS**

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

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (State Treasury Asset Reserve of Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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



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

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

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

**A. Cash on Hand**

At fiscal year end, the District had \$1,200 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents”.

**B. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all District deposits was \$1,973,070. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2010, \$1,678,268 of the District’s bank balance of \$2,036,988 was exposed to custodial risk as discussed below, while \$358,720 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

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

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

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

**C. Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets**

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

<u>Cash and Investments per note</u>	
Carrying amount of deposits	\$ 1,973,070
Cash on hand	<u>1,200</u>
Total	<u>\$ 1,974,270</u>
 <u>Cash and Investments per statement of net assets</u>	
Governmental activities	\$ 1,802,547
Private-purpose trust fund	103,942
Agency fund	<u>67,781</u>
Total	<u>\$ 1,974,270</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A.** Interfund balances at June 30, 2010 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 5,400

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2010 are reported on the statement of net assets.

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

Transfers from the general fund to:	
Nonmajor governmental funds	\$ 237,670
Transfers from nonmajor governmental funds to:	
General fund	<u>161,423</u>
Total	<u>\$ 399,093</u>

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget required to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers made from the poverty aid fund (a nonmajor governmental fund) to the general fund, were made to close out the fund.

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

Interfund transfers between governmental funds are eliminated on the statement of activities.

- C. Interfund balances for the year ended June 30, 2010, consisted of the following due to/from other funds, as reported on the fund financial statements:

	Due from other funds	Due to other funds
General fund	\$ 4,280	\$ -
Nonmajor governmental funds:		
Management information system	-	309
Title I disadvantaged children	-	3,941
IDEA preschool grant for the handicapped	-	30
 Total	 \$ 4,280	 \$ 4,280

The primary purpose of the interfund balances is to cover negative cash balances in the nonmajor governmental funds. These negative cash balances are allowable under Ohio Revised Code Section 3315.20. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

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

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

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

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

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

The District receives property taxes from Jefferson County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$538,000 in the general fund. This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$346,274 in the general fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

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

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

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 221,030,280	64.83	\$ 212,139,060	63.37
Public utility personal	119,205,670	34.97	122,430,900	36.58
Tangible personal property	<u>670,978</u>	<u>0.20</u>	<u>168,910</u>	<u>0.05</u>
Total	<u>\$ 340,906,928</u>	<u>100.00</u>	<u>\$ 334,738,870</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$29.90		\$29.60	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2010 consisted of taxes, accounts (billings for user charged services and student fees) and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

Taxes	\$ 8,610,478
Accounts	4,455
Intergovernmental	<u>205,524</u>
Total	<u>\$ 8,820,457</u>

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS**

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

	Balance <u>06/30/09</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/10</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 121,734	\$ -	\$ -	\$ 121,734
Total capital assets, not being depreciated	<u>121,734</u>	<u>-</u>	<u>-</u>	<u>121,734</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	660,665	14,442	-	675,107
Buildings and improvements	7,415,310	143,405	-	7,558,715
Furniture and equipment	521,468	88,964	-	610,432
Vehicles	2,397,262	177,565	(200,214)	2,374,613
Textbooks	1,051,506	-	-	1,051,506
Infrastructure	88,049	-	-	88,049
Total capital assets, being depreciated	<u>12,134,260</u>	<u>424,376</u>	<u>(200,214)</u>	<u>12,358,422</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(453,155)	(17,288)	-	(470,443)
Buildings and improvements	(4,451,032)	(148,124)	-	(4,599,156)
Furniture and equipment	(373,472)	(18,940)	-	(392,412)
Vehicles	(1,407,686)	(246,338)	200,214	(1,453,810)
Textbooks	(1,024,031)	(27,475)	-	(1,051,506)
Infrastructure	(72,143)	(1,552)	-	(73,695)
Total accumulated depreciation	<u>(7,781,519)</u>	<u>(459,717)</u>	<u>200,214</u>	<u>(8,041,022)</u>
Governmental activities capital assets, net	<u>\$ 4,474,475</u>	<u>\$ (35,341)</u>	<u>\$ -</u>	<u>\$ 4,439,134</u>

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 77,735
Special	10,076
Vocational	947
<u>Support services:</u>	
Pupil	4,490
Instructional staff	31,338
Administration	9,630
Operations and maintenance	24,739
Pupil transportation	253,796
Central	1,139
Extracurricular activities	36,125
Food service operations	<u>9,702</u>
Total depreciation expense	<u>\$ 459,717</u>

**NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE**

The District has entered into capitalized leases for copier equipment. These lease agreements meet the criteria of capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Copier equipment in the amount of \$65,212 has not been capitalized since the assets individually do not meet the District's capitalization threshold. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2010 totaled \$18,301 paid by the general fund. The capital lease obligation was completely retired during fiscal year 2010.

**NOTE 10 - LEASE PURCHASE AGREEMENT - LESSEE DISCLOSURE**

During fiscal year 2008, the District entered into a lease-purchase agreement with Navistar Financial to finance the purchase of buses. This lease meets the criteria of a lease-purchase as defined by generally accepted accounting principles, which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. Capital assets consisting of vehicles have been recorded in the amount of \$739,756. A corresponding liability is recorded on the statement of net assets. Accumulated depreciation as of June 30, 2010 was \$231,174, leaving a current book value of \$508,582. During fiscal year 2010, principal payments in the amount of \$335,576 and \$52,373 were made from the general fund and public school preschool fund (a nonmajor governmental fund), respectively.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 11 - LONG-TERM OBLIGATIONS**

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

	Balance Outstanding			Balance Outstanding		Amounts Due in
	<u>06/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/10</u>	<u>One Year</u>	
<b>Governmental activities:</b>						
Bonds payable	\$ 358,181	\$ -	\$ (114,212)	\$ 243,969	\$ 119,318	
Capital lease payable	18,301	-	(18,301)	-	-	
Lease purchase agreement	387,949	-	(387,949)	-	-	
Compensated absences	<u>1,358,627</u>	<u>259,292</u>	<u>(182,685)</u>	<u>1,435,234</u>	<u>252,620</u>	
Total long-term obligations, governmental activities	<u>\$ 2,123,058</u>	<u>\$ 259,292</u>	<u>\$ (703,147)</u>	<u>\$ 1,679,203</u>	<u>\$ 371,938</u>	

*Compensated Absences:* Compensated absences will be paid from the fund from which the employee's salaries are paid which, for the District is primarily the general fund and the following nonmajor governmental funds: food service, EMIS, public school preschool, DPIA, Title VI-B, Title I and Title VI-R.

*General Obligation Bonds Payable:* On November 7, 2006, the District issued \$571,000 in general obligation bonds. The proceeds of these bonds were used to provide financing for school bus purchases and roof repairs. These bonds bear an annual interest rate of 4.47% and mature in fiscal year 2012. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for on the statement of net assets. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund (a nonmajor governmental fund).



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 119,318	\$ 8,239	\$ 127,557
2012	<u>124,651</u>	<u>2,786</u>	<u>127,437</u>
Total	<u>\$ 243,969</u>	<u>\$ 11,025</u>	<u>\$ 254,994</u>

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$29,887,860 and an unvoted debt margin of \$334,796.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2010, the District has contracted with the following insurance companies to provide coverage in the following amounts:

<u>Coverage</u>	<u>Limits of Coverage</u>	<u>Deductible</u>
Indiana Insurance Company		
General liability:		
Each occurrence	\$ 1,000,000	\$ 1,000
Aggregate	2,000,000	1,000
Umbrella liability:		
Each occurrence	5,000,000	5,000
Aggregate	5,000,000	5,000
Fleet:		
Liability	1,000,000	0
Uninsured Motorist	1,000,000	0
Medical Pay	5,000	0
Comprehensive	-	250
Collision	-	500
Building and contents	56,213,000	5,000
Employee benefits:		
Each occurrence	1,000,000	1,000
Aggregate	3,000,000	1,000
Error and Omissions:		
Each occurrence	1,000,000	2,500
Aggregate	1,000,000	2,500

Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

**B. Fidelity Bond**

The Treasurer is covered under a surety bond in the amount of \$50,000. All other school employees who are responsible for handling funds are covered by a \$10,000 fidelity bond.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 12 - RISK MANAGEMENT - (Continued)**

**C. Workers' Compensation**

For fiscal year 2010, the District participated in the OASBO/CompManagement, Inc. Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

**D. Employee Group Medical, Dental and Prescription Insurance**

Medical, dental and prescription insurance were offered to employees through a fully-insured plan with Medical Mutual of Ohio. Medical Mutual of Ohio agreed to provide to all eligible Covered Persons, the Covered Services described in the certificates, schedules of benefits, riders and amendments listed in the contract.

The District has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program.

Employees pay 10% of the premium per negotiated union contracts and cannot be raised, except through negotiated agreement. The medical plan and prescription drug card are administered by Medical Mutual of Ohio located in Cleveland, Ohio.

The District provides dental coverage for its employees through a fully-insured plan through Medical Mutual of Ohio. The total monthly premium is \$699.24 for single and \$1,608.84 for family coverage. This premium includes the employee portion, which is paid by the District.

**NOTE 13 - PENSION PLANS**

**A. School Employees Retirement System**

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 13 - PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$288,937, \$207,971 and \$216,550, respectively; 40.75 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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

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

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

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 13 - PENSION PLANS - (Continued)**

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$962,824, \$930,113 and \$957,386, respectively; 84.25 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$4,835 made by the District and \$12,236 made by the plan members.

**C. Social Security System**

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

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

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

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

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$56,988, \$141,737 and \$146,852, respectively; 40.75 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$17,183, \$17,159 and \$15,603, respectively; 40.75 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$74,063, \$71,547 and \$73,645, respectively; 84.25 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Advances-in and advances-out are operating transfers (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 434,666
Net adjustment for revenue accruals	196,523
Net adjustment for expenditure accruals	100,269
Net adjustment for other sources/uses	(101,115)
Adjustment for encumbrances	<u>178,513</u>
GAAP basis	<u>\$ 808,856</u>

**NOTE 16 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in no material litigation as either plaintiff or defendant.

**NOTE 17 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purpose in future years. These reserves are calculated and presented on a cash basis.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY, OHIO**

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

**NOTE 17 - STATUTORY RESERVES - (Continued)**

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2009	\$ 106,154	\$ (134,805)
Current year set-aside requirement	335,477	335,477
Qualifying disbursements	<u>(401,830)</u>	<u>(874,173)</u>
Total	<u>\$ 39,801</u>	<u>\$ (673,501)</u>
Balance carried forward to fiscal year 2011	<u>\$ 39,801</u>	<u>\$ (134,805)</u>

A schedule of the restricted assets at June 30, 2010 follows:

Amounts restricted for textbooks \$ 39,801



**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY**

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

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
<b>Child Nutrition Cluster:</b>				
Non-Cash Assistance (Food Distribution):		10.555	\$31,661	\$31,661
Cash Assistance:				
National School Breakfast Program	05-PU-10	10.553	\$188,577	\$188,577
National School Lunch Program	04-PU-10	10.555	353,313	353,313
Special Milk Program	02-PU-10	10.556	2,723	2,723
Total Child Nutrition Cluster			576,274	576,274
ARRA Child Nutrition Discretionary Grants		10.579	8,339	8,339
Total U.S. Department of Agriculture			584,613	584,613
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education Grants to States (IDEA Part B)	6B-SF-09 6B-SF-10	84.027	46,686 421,706	39,452 421,508
ARRA - Special Education Grants to States	6B-SF-10	84.391	455,846	454,846
Total Special Education Grants to States			924,238	915,806
Special Education - Preschool Grants	PG-S1-09 PG-S1-10	84.173	8 14,411	277 14,440
ARRA - Special Education - Preschool Grants	PG-S1-10	84.392	15,525	15,525
Total Special Education - Preschool Grants			29,944	30,242
Total Special Education Cluster			954,182	946,048
Title II A - Improving Teacher Quality	TRS1-2009 TRS1-2010	84.367	17,486 148,809	17,633 149,560
Total Title II A - Improving Teacher Quality			166,295	167,193
Title IID Education Technology State Grants	TJ-SI-2010	84.318	5,570	5,570
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-09 C1-S1-10	84.010	100,426 554,209	103,413 560,350
ARRA - Title 1 Grants to Local Educational Agencies	C1-S1-10	84.389	298,023	298,023
Total Grants to Local Educational Agencies (ESEA Title I)			952,658	961,786
ARRA State Fiscal Stabilization Fund		84.394	497,028	497,028
Total State Grants for Innovative Programs			497,028	497,028
Safe and Drug-Free Schools Grants to States	DR-S1-10	84.186	8,480	8,480
<b>Total U.S. Department of Education</b>			<b>\$2,584,213</b>	<b>\$2,586,105</b>
<b><u>CORPORATION FOR NATIONAL &amp; COMMUNITY SERVICE</u></b>				
<i>Passed through the Ohio Department of Education</i>				
Learn & Serve America -School and Community Based Services	SV-SI-09 SV-SI-10	94.004	15,000	145 14,938
<b>Total Corporation for National &amp; Community Service</b>			15,000	15,083
<b>Total Federal Financial Assistance</b>			<b>\$3,183,826</b>	<b>\$3,185,801</b>

The accompanying notes to this schedule are an integral part of this schedule.

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY**

**NOTES TO FEDERAL AWARDS EXPENDITURES SCHEDULE  
JUNE 30, 2010**

**A. SIGNIFICANT ACCOUNTING POLICIES**

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

**B. CHILD NUTRITION CLUSTER**

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

**C. FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The government allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities. At June 30, 2010, the District had no significant food commodities in inventory.

**D. TRANSFERS**

The School District transferred \$12,742 from the Title II A, Improving Teacher Quality Program to the Title I Program. Transferred funds are subject to all of the requirements, set asides and limitations of the programs into which they are transferred. During fiscal year 2010, the Ohio Department of Education (ODE) authorized the following transfers:

CFDA Number	Program Title	Pass Through Number	Transfers Out	Transfers In
84.367	Improving Teacher Quality	TRS1-2009	12,742	
84.010	Title I	C1-S1-09		12,742



# 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*

Edison Local School District  
Jefferson County  
P.O. Box 158  
Hammondsville, Ohio 43930

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edison Local School District, Jefferson County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *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 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 the 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 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 we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2010-001.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 19, 2010.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the 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, and federal awarding agencies and pass-through entities and others within the District. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

November 19, 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 IN ACCORDANCE WITH OMB CIRCULAR A-133

Edison Local School District  
Jefferson County  
P.O. Box 158  
Hammondsville, Ohio 43930

To the Board of Education:

### Compliance

We have audited the compliance of Edison Local School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings and questioned costs identifies the District's major federal programs. The 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 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 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 District's compliance with those requirements.

In our opinion, Edison Local 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. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings and questioned costs lists this instance as item 2010-002.

We also noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated November 19, 2010.

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### Internal Control Over Compliance

The 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 District's internal control over compliance with the requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, we cannot assure we have identified all deficiencies, significant deficiencies, or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-002 to be a material weakness.

We also noted matters involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's Management in a separate letter dated November 19, 2009.

The District's response to the finding we identified is described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses 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.



**Mary Taylor, CPA**  
Auditor of State

November 19, 2010

**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY  
JUNE 30, 2009**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 §.505**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under ' .510(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title I 84.010 and 84.389, Special Education Cluster 84.027, 84,391, 84,173 and 84.392, and State Fiscal Stabilization
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**Finding Number 2010-001**

**Finding for Recovery Repaid Under Audit**

Monies collected by Nathaniel Moses, Athletic Director, for admissions to a January 25, 2010 Stanton Junior High School basketball game totaled \$154 more than the amount deposited to the bank. The proceeds from the game were given to the building secretary, Brenda Stone, who was to prepare the deposit slip and make the deposit to the bank. Ohio Revised Code Section 9.39 states all "public officials are liable for all public money received or collected by them or by their subordinates under color of office."

In accordance with the foregoing facts and pursuant to Ohio Revised Code section 117.28, a Finding for Recovery for money collected but not accounted for is hereby issued against Nathaniel Moses, Athletic Director, and Brenda Stone, building secretary, jointly and severally, in the amount of \$154 and in favor of the Stanton Junior High School Athletic Fund.

On August 30, 2010, \$154 was repaid in full by Brenda Stone and the monies were deposited into the Stanton Junior High School Athletic Fund. This finding has been completely repaid under audit.

**Official's Response:**

The finding has been repaid.

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

**Finding Number 2010-002**

**Material Weakness/Material Noncompliance/Questioned Cost**

<b>Finding Number</b>	2010-002
<b>CFDA Title and Number</b>	Title I, 84.010
<b>Federal Award Number / Year</b>	2010
<b>Federal Agency</b>	Department of Education
<b>Pass-Through Agency</b>	Ohio Department of Education

34 CFR Section 200.55 states that beginning after the first day of the 2002-03 school year, an LEA had to ensure that any teacher hired to teach a core academic subject and who worked in a program supported with Title I, Part A funds was highly qualified, as defined in 34 CFR Section 200.56.

An individual teaching core academic courses was compensated with Title I monies but was not highly qualified, as defined by the above referenced section, to teach 3 out of the 4 courses taught. As a result, three quarters of the wages and benefits charged to the Title I fund are questioned costs in the amount of \$39,562.



The District should establish specific procedures to ensure that all teachers supported by Title I funds are highly qualified for the course they are teaching as required by the above section of code. This will ensure the proper use of public funds.

**Official's Response:**

The building principal is no longer employed with the District as of August 2010. Also, the teacher resigned and is employed by another district.

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**EDISON LOCAL SCHOOL DISTRICT  
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
<b>2009-001</b>	ORC Section 5705.41(D) Expenditures were not properly.	No	Cited again in the Management Letter
<b>2009-002</b>	Capital Asset – Recording system was not complete, adjustments were necessary	No	Recommendation repeated in the Management Letter

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# Dave Yost • Auditor of State

**EDISON LOCAL SCHOOL DISTRICT**

**JEFFERSON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 15, 2011**