

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

General Purpose Financial Statements

Year Ended June 30, 2001

With

Independent Auditors' Report





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Education  
Rossford Exempted Village School District

We have reviewed the Independent Auditor's Report of the Rossford Exempted Village School District, Wood County, prepared by Clark, Schaefer, Hackett & Co. for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rossford Exempted Village School District is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

March 5, 2002

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# ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

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Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Rossford Exempted Village School District:

We have audited the accompanying general purpose financial statements of Rossford Exempted Village School District as of and for the year ended June 30, 2001 as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Rossford Exempted Village School District as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the general purpose financial statements, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* as of July 1, 2000. This results in a change to the School District's method of accounting for certain nonexchange transactions.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2001 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as 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 general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 7, 2001

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,229,735	\$1,120,794	\$85,887	\$246,593
Receivables:				
Taxes	11,921,546			613,596
Accounts	5,480			
Interfund Receivable	21,600			
Materials and Supplies Inventory				
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	360,422			
Fixed Assets				
Accumulated Depreciation				
<b>Other Debits:</b>				
Amount available in Debt Service Fund for				
Amount to be provided for retirement of				
general long-term debt				
<b>Total Assets and Other Debits</b>	<u>\$13,538,783</u>	<u>\$1,120,794</u>	<u>\$85,887</u>	<u>\$860,189</u>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts Payable	\$27,635	\$34,131		\$54,453
Accrued Wages and Benefits	1,712,666	13,971		
Compensated Absences Payable	159,441			
Interfund Payable		2,600		
Intergovernmental Payable	257,672	2,363		
Deferred Revenue	11,377,703			582,328
Due to Students				
General Obligation Bonds Payable				
<b>Total Liabilities</b>	<u>13,535,117</u>	<u>53,065</u>		<u>636,781</u>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved:				
Reserved for Encumbrances	158,324	96,653		63,284
Reserved for Debt Service Principal			\$85,887	
Reserved for Advances	21,600			
Reserved for Property Taxes	543,843			31,268
Reserved for Textbooks & Instructional Materials	52,230			
Reserved for Budget Stabilization	308,192			
Unreserved:				
Unreserved, Undesignated	(1,080,523)	971,076		128,856
<b>Total Fund Equity and Other Credits</b>	<u>3,666</u>	<u>1,067,729</u>	<u>85,887</u>	<u>223,408</u>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<u>\$13,538,783</u>	<u>\$1,120,794</u>	<u>\$85,887</u>	<u>\$860,189</u>

The notes to the general-purpose financial statements are an integral part of this statement.



Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$32,487	\$2,708	\$99,754			\$2,817,958
					12,535,142
					5,480
					21,600
8,428					8,428
					360,422
342,691			\$14,193,289		14,535,980
(280,430)					(280,430)
				\$85,887	85,887
				1,963,139	1,963,139
<u>\$103,176</u>	<u>\$2,708</u>	<u>\$99,754</u>	<u>\$14,193,289</u>	<u>\$2,049,026</u>	<u>\$32,053,606</u>
\$377					\$116,596
32,008					1,758,645
3,968				\$992,205	1,155,614
19,000					21,600
18,746				146,821	425,602
2,729					11,962,760
		\$62,376			62,376
				910,000	910,000
<u>76,828</u>		<u>62,376</u>		<u>2,049,026</u>	<u>16,413,193</u>
			\$14,193,289		14,193,289
26,348	\$2,708				29,056
					318,261
					85,887
					21,600
					575,111
					52,230
					308,192
		37,378			56,787
<u>26,348</u>	<u>2,708</u>	<u>37,378</u>	<u>14,193,289</u>		<u>15,640,413</u>
<u>\$103,176</u>	<u>\$2,708</u>	<u>\$99,754</u>	<u>\$14,193,289</u>	<u>\$2,049,026</u>	<u>\$32,053,606</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2001**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Special Revenue</b>
<b>Revenues:</b>		
Intergovernmental	\$2,811,070	\$632,718
Interest	247,864	
Tuition and Fees	208,408	
Rent	3,300	
Extracurricular Activities		119,989
Gifts and Donations	188	10,821
Customer Services	9,108	
Property & Other Local Taxes	11,718,345	
Miscellaneous	1,209	4,151
<b>Total Revenues</b>	<b>14,999,492</b>	<b>767,679</b>
<b>Expenditures:</b>		
Instruction:		
Regular	7,436,308	137,460
Special	1,178,570	191,129
Vocational	192,168	
Adult/Continuing	15,430	5,000
Support services:		
Pupils	1,230,355	63,825
Instructional Staff	585,313	64,838
Board of Education	49,755	
Administration	1,480,382	6,612
Fiscal	260,974	
Business	132,824	
Operation and Maintenance of Plant	1,411,531	126,553
Pupil Transportation	747,539	1,635
Central	125,686	165,242
Non-Instructional Services	1,222	123,961
Extracurricular activities	322,720	135,496
Capital Outlay	243	28,151
Debt Service		
Debt Service - Principal		
Debt Service - Interest		
<b>Total Expenditures</b>	<b>15,171,020</b>	<b>1,049,902</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(171,528)</b>	<b>(282,223)</b>
<b>Other Financing Sources and Uses</b>		
Operating Transfers In	3,172	7,086
Refund of Prior Year Expenditures	92,341	
Other Financing Sources		783,137
Operating Transfers Out	(32,936)	(3,172)
Other Financing Uses		(200)
<b>Total Other Financing Sources (Uses)</b>	<b>62,577</b>	<b>786,851</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(108,951)</b>	<b>504,628</b>
<b>Fund Balance at Beginning of Year</b>	<b>112,617</b>	<b>563,101</b>
<b>Fund Balance at End of Year</b>	<b>\$3,666</b>	<b>\$1,067,729</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

Governmental Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$11,845	\$135,162		\$3,590,795
			247,864
			208,408
			3,300
			119,989
		\$2,842	13,851
			9,108
156,581	599,452		12,474,378
			5,360
<u>168,426</u>	<u>734,614</u>	<u>2,842</u>	<u>16,673,053</u>
	48,225	3,700	7,625,693
		500	1,370,199
			192,168
			20,430
			1,294,180
			650,151
			49,755
			1,486,994
			260,974
			132,824
			1,538,084
			749,174
			290,928
			125,183
			458,216
	765,818		794,212
275,000	280,000		555,000
9,265	52,235		61,500
<u>284,265</u>	<u>1,146,278</u>	<u>4,200</u>	<u>17,655,665</u>
<u>(115,839)</u>	<u>(411,664)</u>	<u>(1,358)</u>	<u>(982,612)</u>
			10,258
			92,341
			783,137
			(36,108)
			(200)
			<u>849,428</u>
(115,839)	(411,664)	(1,358)	(133,184)
<u>201,726</u>	<u>635,072</u>	<u>38,736</u>	<u>1,551,252</u>
<u>\$85,887</u>	<u>\$223,408</u>	<u>\$37,378</u>	<u>\$1,418,068</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2001**

	<b>Governmental Fund Types</b>		
	<b>General</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Intergovernmental	\$3,111,006	\$2,832,921	(\$278,085)
Interest	238,487	247,864	9,377
Tuition and Fees	213,744	210,380	(3,364)
Rent	500	3,300	2,800
Extracurricular Activities			
Gifts and Donations		188	188
Customer Services	5,000	9,108	4,108
Property & Other Local Taxes	11,858,545	11,858,545	
Miscellaneous	5,000	1,535	(3,465)
<b>Total Revenues</b>	<b>15,432,282</b>	<b>15,163,841</b>	<b>(268,441)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	7,559,431	7,359,247	200,184
Special	1,223,865	1,172,591	51,274
Vocational	190,486	188,820	1,666
Adult/Continuing	19,200	15,430	3,770
<b>Support services:</b>			
Pupils	1,227,932	1,188,982	38,950
Instructional Staff	638,075	623,540	14,535
Board of Education	48,307	42,846	5,461
Administration	1,567,318	1,524,587	42,731
Fiscal	285,728	264,478	21,250
Business	168,873	132,893	35,980
Operation and Maintenance of Plant	1,648,760	1,496,068	152,692
Pupil Transportation	811,109	765,110	45,999
Central	135,773	129,258	6,515
Non-Instructional Services	1,551	1,222	329
Extracurricular activities	371,666	324,575	47,091
Capital Outlay	12,400	243	12,157
Debt Service			
Debt Service - Principal			
Debt Service - Interest			
<b>Total Expenditures</b>	<b>15,910,474</b>	<b>15,229,890</b>	<b>680,584</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(478,192)</b>	<b>(66,049)</b>	<b>412,143</b>
<b>Other Financing Sources and Uses</b>			
Operating Transfers In	3,172	3,172	
Refund of Prior Year Expenditures	95,490	95,490	
Other Financing Sources			
Operating Transfers Out	(50,000)	(32,936)	17,064
<b>Total Other Financing Sources (Uses)</b>	<b>48,662</b>	<b>65,726</b>	<b>17,064</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(429,530)</b>	<b>(323)</b>	<b>429,207</b>
Fund Balances at Beginning of Year	1,165,797	1,165,797	
Prior Year Encumbrances Appropriated	238,723	238,723	
<b>Fund Balance at end of Year</b>	<b>\$974,990</b>	<b>\$1,404,197</b>	<b>\$429,207</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

**Governmental Fund Types**

<b>Special Revenue</b>			<b>Debt Service</b>		
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
\$644,301	\$632,718	(\$11,583)	\$11,845	\$11,845	
154,968	120,378	(34,590)			
12,687	10,821	(1,866)			
			176,555	176,555	
10,275	4,152	(6,123)			
<u>822,231</u>	<u>768,069</u>	<u>(54,162)</u>	<u>188,400</u>	<u>188,400</u>	
462,548	163,533	299,015			
235,714	194,055	41,659			
10,000	5,000	5,000			
127,775	67,653	60,122			
86,494	70,142	16,352			
7,777	6,783	994			
228,103	126,553	101,550			
2,496	1,635	861			
234,782	199,905	34,877			
188,880	158,481	30,399			
168,950	129,919	39,031			
259,401	28,151	231,250			
			276,565	276,565	
			7,700	7,700	
<u>2,012,920</u>	<u>1,151,810</u>	<u>861,110</u>	<u>284,265</u>	<u>284,265</u>	
<u>(1,190,689)</u>	<u>(383,741)</u>	<u>806,948</u>	<u>(95,865)</u>	<u>(95,865)</u>	
7,086	7,086				
811,859	783,137	(28,722)			
(3,372)	(3,372)				
<u>815,573</u>	<u>786,851</u>	<u>(28,722)</u>			
(375,116)	403,110	778,226	(95,865)	(95,865)	
571,688	571,688		181,753	181,753	
46,045	46,045				
<u>\$242,617</u>	<u>\$1,020,843</u>	<u>\$778,226</u>	<u>\$85,888</u>	<u>\$85,888</u>	

(Continued)

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget and Actual Comparison (Budgetary Basis)  
All Governmental and Similar Fiduciary Fund Types  
For the Year Ended June 30, 2001  
(Continued)**

	<b>Governmental Fund Types</b>		
	<b>Capital Projects</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
Intergovernmental	\$135,162	\$135,162	
Interest			
Tuition and Fees			
Rent			
Extracurricular Activities			
Gifts and Donations			
Customer Services			
Property & Other Local Taxes	607,053	607,053	
Miscellaneous			
<b>Total Revenues</b>	<u>742,215</u>	<u>742,215</u>	
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	76,976	48,225	\$28,751
Special			
Vocational			
Adult/Continuing			
<b>Support services:</b>			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal			
Business			
Operation and Maintenance of Plant			
Pupil Transportation			
Central			
<b>Non-Instructional Services</b>			
Extracurricular activities			
Capital Outlay	839,286	774,586	64,700
Debt Service			
Debt Service - Principal	290,235	290,235	
Debt Service - Interest	52,000	42,000	10,000
<b>Total Expenditures</b>	<u>1,258,497</u>	<u>1,155,046</u>	<u>103,451</u>
Excess of Revenues Over (Under) Expenditures	<u>(516,282)</u>	<u>(412,831)</u>	<u>103,451</u>
<b>Other Financing Sources and Uses</b>			
Operating Transfers In			
Refund of Prior Year Expenditures			
Other Financing Sources			
Operating Transfers Out			
<b>Total Other Financing Sources (Uses)</b>			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(516,282)	(412,831)	103,451
Fund Balances at Beginning of Year	529,124	529,124	
Prior Year Encumbrances Appropriated	74,521	74,521	
<b>Fund Balance at end of Year</b>	<u>\$87,363</u>	<u>\$190,814</u>	<u>\$103,451</u>

*The notes to the general-purpose financial statements are an integral part of this statement.*

<b>Fiduciary Trust Fund</b>			<b>Totals (Memorandum Only)</b>		
<b>Expendable Trust</b>					
<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
			\$3,902,314	\$3,612,646	(\$289,668)
			238,487	247,864	9,377
			213,744	210,380	(3,364)
			500	3,300	2,800
			154,968	120,378	(34,590)
\$4,775	\$2,842	(\$1,933)	17,462	13,851	(3,611)
			5,000	9,108	4,108
			12,642,153	12,642,153	
			15,275	5,687	(9,588)
<u>4,775</u>	<u>2,842</u>	<u>(1,933)</u>	<u>17,189,903</u>	<u>16,865,367</u>	<u>(324,536)</u>
3,700	3,700		8,102,655	7,574,705	527,950
500	500		1,460,079	1,367,146	92,933
			190,486	188,820	1,666
			29,200	20,430	8,770
			1,355,707	1,256,635	99,072
			724,569	693,682	30,887
			48,307	42,846	5,461
			1,575,095	1,531,370	43,725
			285,728	264,478	21,250
			168,873	132,893	35,980
			1,876,863	1,622,621	254,242
			813,605	766,745	46,860
			370,555	329,163	41,392
			190,431	159,703	30,728
			540,616	454,494	86,122
			1,111,087	802,980	308,107
			566,800	566,800	-
			59,700	49,700	10,000
<u>4,200</u>	<u>4,200</u>		<u>19,470,356</u>	<u>17,825,211</u>	<u>1,645,145</u>
<u>575</u>	<u>(1,358)</u>	<u>(1,933)</u>	<u>(2,280,453)</u>	<u>(959,844)</u>	<u>1,320,609</u>
			10,258	10,258	
			95,490	95,490	
			811,859	783,137	(28,722)
			(53,372)	(36,308)	17,064
			<u>864,235</u>	<u>852,577</u>	<u>(11,658)</u>
575	(1,358)	(1,933)	(1,416,218)	(107,267)	1,308,951
38,737	38,737		2,487,099	2,487,099	
			359,289	359,289	
<u>\$39,312</u>	<u>\$37,379</u>	<u>(\$1,933)</u>	<u>\$1,430,170</u>	<u>\$2,739,121</u>	<u>\$1,308,951</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Revenues, Expenses and Changes in Retained Earnings  
All Proprietary Fund Types  
For the Year Ended June 30, 2001**

	<b>Proprietary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Enterprise</b>	<b>Internal Service</b>	
<b>Operating Revenues:</b>			
Sales	\$315,580	\$21,429	\$337,009
Total Operating Revenues	<u>315,580</u>	<u>21,429</u>	<u>337,009</u>
<b>Operating Expenses</b>			
Salaries	180,822		180,822
Fringe Benefits	48,743		48,743
Purchased Services	9,517	16,457	25,974
Materials and Supplies	236,347	6,244	242,591
Depreciation	13,668		13,668
Other	1,056		1,056
Total Operating Expenses	<u>490,153</u>	<u>22,701</u>	<u>512,854</u>
Operating Income (Loss)	(174,573)	(1,272)	(175,845)
<b>Non-Operating Revenues and Expenses</b>			
Federal Donated Commodities	17,907		17,907
Federal and State Subsidies	122,616		122,616
Total Non-Operating Revenues and Expenses	<u>140,523</u>		<u>140,523</u>
Income (Loss) Before Operating Transfers	(34,050)	(1,272)	(35,322)
Operating Transfers-In	25,000	850	25,850
Net Income (Loss)	(9,050)	(422)	(9,472)
Retained Earnings at Beginning of Year	35,398	3,130	38,528
Retained Earnings at End of Year	<u>\$26,348</u>	<u>\$2,708</u>	<u>\$29,056</u>

*The notes to the general-purpose financial statements are an integral part of this statement.*



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended June 30, 2001**

	<b>Proprietary Fund Types</b>		<b>Totals (Memorandum Only)</b>
	<b>Enterprise</b>	<b>Internal Service</b>	
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Sales	\$315,580	\$21,854	\$337,434
Cash Payments to Suppliers for Goods and Service	(217,415)	(6,244)	(223,659)
Cash Payments for Contract Services	(9,318)	(16,457)	(25,775)
Cash Payments for Employee Services	(182,717)		(182,717)
Cash Payments for Employee Benefits	(52,076)		(52,076)
Other Cash Payments	(1,056)		(1,056)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(147,002)</b>	<b>(847)</b>	<b>(147,849)</b>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating Grants Received	122,616		122,616
Transfers In	25,000	850	25,850
<b>Net Cash Provided (Used) by     Noncapital Financing Activities</b>	<b>147,616</b>	<b>850</b>	<b>148,466</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Payments for Capital Acquisitions	(2,315)		(2,315)
<b>Net Cash Provided (Used) by     Capital and Related Financing Activities</b>	<b>(2,315)</b>		<b>(2,315)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,701)</b>	<b>3</b>	<b>(1,698)</b>
Cash and Cash Equivalents at Beginning of Year	34,188	2,705	36,893
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$32,487</b>	<b>\$2,708</b>	<b>\$35,195</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	(\$174,573)	(\$1,272)	(\$175,845)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) by Operating Activities:			
Depreciation	13,668		13,668
Donated Commodities Used During the Year	17,907		17,907
Adjustments to Capital Outlay	2,315		2,315
(Increase) Decrease in Assets:			
Accounts		425	425
Material and Supplies Inventory	(1,065)		(1,065)
Increase (Decrease) in Liabilities:			
Compensated Absences Payable	(427)		(427)
Intergovernmental Payable	(3,701)		(3,701)
Deferred Revenue	124		124
Accrued Wages and Benefits	(1,099)		(1,099)
Accounts Payable	(151)		(151)
Total Adjustments	27,571	425	27,996
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(147,002)</b>	<b>(847)</b>	<b>(147,849)</b>

*The notes to the general-purpose financial statements are an integral part of this statement.*

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

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

The School District was established in the 1920s through the consolidation of existing land areas and school districts. The School District serves an area of approximately 27 square miles. It is located in Wood County, and includes the City of Rossford and portions of the City of Northwood and portions of Perrysburg and Lake Townships. The School District is the 265<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 113 non-certificated employees and 158 certificated full-time teaching personnel who provide services to 2,086 students and other community members. The School District currently operates five instructional buildings, one administrative building, and one garage.

**Reporting Entity:**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes.

The following activities are included within the reporting entity:

*Parochial Schools* - Within the School District boundaries, All Saints Catholic elementary and junior high schools are operated through the Toledo Catholic Diocese. Current State legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the School District, as directed by the parochial schools. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with six organizations, which are defined as jointly governed organizations, insurance purchasing pools, and a related organization. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Educational Council, the Penta County Joint Vocational School District, the Ohio School Boards Association Worker's Compensation Group Rating Plan, the Wood County Schools Benefit Plan, and the Rossford Public Library. These organizations are presented in Notes 16, 17, and 18 to the general-purpose financial statements.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

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

The financial statements of the Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The most significant of the School District's accounting policies are described below.

**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

***Governmental Fund Types:***

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

*Special Revenue Funds* - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

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

*Capital Projects Funds* - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

***Proprietary Fund Types:***

Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector. The following are the School District's proprietary fund types:

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

*Enterprise Funds* - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Internal Service Funds* - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

***Fiduciary Fund Types:***

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust and agency funds.

***Account Groups:***

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

*General Fixed Assets Account Group* - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

*General Long-Term Obligations Account Group* - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenues are deemed both measurable and available: property tax available for advance, interest, tuition, grants, and fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

**Tax Budget:**

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Wood County Budget Commission for rate determination.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, 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 at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

**Encumbrances:**

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**Lapsing of Appropriations:**

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**D. Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2001 the investments were limited to repurchase agreements and STAR Ohio. All investments of the School District had a maturity of two years or less. Investments are stated at fair market value or amortized cost. Investment earnings are allocated as authorized by State statute.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2001. STAR Ohio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2001.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$247,864, of which \$131,368 was assigned from other funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District is considered to be cash equivalent. Investments with an initial maturity of more than three months are reported as investments.

**E. Estimates**

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

**F. Interfund Receivables/Payables**

During the course of operations, short term advances occur between individual funds for operating expenditures until receipt of grants or other financing. These receivables and payables are classified as "Interfund Receivable" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account, which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

**G. Inventory**

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2001 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**I. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

For governmental funds, the School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for employees after 20 years of current service with the School District, or after 15 years of service and at least 45 years of age, or after 5 years of service and at least 50 years of age. The current portion of unpaid compensated absences is the amount expected to be paid using available expendable 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 remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles require the reporting of the liability in the funds that received the proceeds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District to create reserves textbooks and instructional materials and for budget stabilization. See Note 20 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**M. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepaid items, property taxes, textbooks and instructional materials, budget stabilization, advances, and debt service.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

**N. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as entitlements and grants are recorded as receivables and revenues when measurable and available. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. The School District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

*General Fund*

State Foundation Program

State Property Tax Relief

School Bus Purchase Reimbursement

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY

Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)

**Non-Reimbursable Grants**

Special Revenue Funds

Venture Capital  
Auxiliary Services  
Educational Television  
Community Education  
Teacher Development  
Gifted Education  
Education Management Information Systems  
Disadvantaged Pupil Impact Aid  
Data Communications for School Buildings  
School Net Professional Development  
Textbook/Instructional Materials Subsidy  
Ohio Reads Grant  
Summer School Subsidy  
Extended Learning Opportunity  
Eisenhower Grant  
Title VI-B  
Title I  
Title VI  
Preschool Disability Grant  
Goals 2001 NSI Grant  
Title VI-R

Capital Projects Funds

School Net  
School Net Plus  
Technology Equity

**Reimbursable Grants**

General Fund

Driver Education

Proprietary Funds

National School Lunch Program  
National School Breakfast Program  
Government Donated Commodities

**O. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**P. Statement of Cash Flows**

In September 1989, the Governmental Accounting Standards Board (GASB) issued Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." The School District has presented a statement of cash flows for its Enterprise and Internal Service Funds.

**Q. Financial Reporting for Proprietary Fund Type**

The School District's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." This Statement is effective for financial statements beginning after December 15, 1993. The School District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**R. Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Totals - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**S. Change in Accounting Principle**

For fiscal year 2001, the School District implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. There was no effect on fund balance as of June 30, 2000 as a result of implementing GASB 33.

**NOTE 3 - ACCOUNTABILITY**

At June 30, 2001, the Auxiliary Services and School Lunch funds had deficit fund balances of \$210 and \$3,981, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 4 - INTERFUND RECEIVABLE/INTERFUND PAYABLE**

Interfund balances at June 30, 2001 consist of the following individual fund receivables and payables:

Fund	Receivable	Payable
General	\$21,600	
Special Revenue		\$2,600
Enterprise		19,000
Total	\$21,600	\$21,600

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**NOTE 5 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawal 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

*Interim deposits* are 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.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation, 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.

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. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
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Investments in stripped principal or interest obligations, reverse purchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. 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.

**Cash on Hand:** At fiscal year end, the School District had \$1,100 in cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits:** At fiscal year end, the carrying amount of the School District's deposits was \$53,949 and the bank balance was \$348,402. Of the bank balance was \$101,078 covered by federal depository insurance and \$247,324 was covered by pooled collateral. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name, and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments:** The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end.

Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments, which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Reported Amount	Fair Value
Repurchase Agreement	\$105,001	\$105,001	\$105,001
STAR Ohio		3,018,330	3,018,330
Totals	\$105,001	\$3,123,331	\$3,123,331

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Governmental Entities That Use Proprietary Fund Accounting."

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
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(Continued)**

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Investments
GASB Statement 9	\$3,178,380	
Investments of the Cash Management Pool:		
Repurchase Agreement	(105,001)	\$105,001
STAR Ohio	(3,018,330)	3,018,330
Cash on Hand	(1,100)	
GASB Statement 3	\$53,949	\$3,123,331

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2001, was \$543,843 in the General Fund and \$31,268 in the Capital Projects Fund.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second-half Collections		2001 First-half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential/Commercial RE	\$181,290,590	62%	\$239,608,480	64%
Public Utility	17,009,810	6%	15,814,390	4%
Tangible Personal Property	94,066,887	32%	117,961,891	32%
Total Assessed Value	<u>\$292,367,287</u>	<u>100%</u>	<u>\$373,384,761</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$47.50		\$48.60	

**NOTE 7 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Budget Basis	(\$323)	\$403,110	(\$95,865)	(\$412,831)	(\$1,358)
Adjustments for:					
Revenue Accruals	(164,349)	(389)	(19,974)	(7,601)	
Expenditure Accruals	(127,090)	1,957		56,850	
Other Sources/Uses	(3,149)				
Encumbrances	185,960	99,950		63,284	
GAAP Basis	<u>(\$108,951)</u>	<u>\$504,628</u>	<u>(\$115,839)</u>	<u>(\$411,664)</u>	<u>(\$1,358)</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2001, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of receivables follows:

	Amounts
General Fund	
Taxes	\$11,921,546
Accounts	5,480
Capital Projects Fund	
Taxes	613,596
Total Receivables	\$12,540,622

**NOTE 9 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$342,691
Less: Accumulated Depreciation	(280,430)
Net Fixed Assets	\$62,261

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$1,059,617	-	-	\$1,059,617
Buildings and Improvements	8,281,025	475,083	-	8,756,108
Furniture and Equipment	2,988,753	119,866	-	3,108,619
Vehicles	1,167,291	101,654	-	1,268,945
Totals	\$13,496,686	696,603	-	\$14,193,289



**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
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**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**NOTE 10 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Balance at 07/01/00	Additions	Deductions	Balance at 06/30/01
School Improvement Bonds	\$275,000		\$275,000	
School Improvement Notes	1,190,000		280,000	\$910,000
Intergovernmental Payable	117,922	\$28,899		146,821
Compensated Absences	1,003,623		11,418	992,205
<b>Total Long-Term Obligations</b>	<b>\$2,586,545</b>	<b>\$28,899</b>	<b>\$566,418</b>	<b>\$2,049,026</b>

**School Improvement General Obligation Bonds** - On December 1, 1992, the Rossford Exempted Village School District issued \$1,800,000 in voted general obligation bonds for school improvements. The bonds were issued for an eight-year period with final maturity at December 1, 2000. The bonds were retired from the capital project fund.

**School Improvement Tax Anticipation Notes** - On January 7, 1999, the Rossford Exempted Village School District issued \$1,460,000 in voted general obligation notes for the purpose of renovating, rehabilitation, adding to, acquiring, furnishing, equipping and otherwise improving school facilities and sites. The notes will be retired from the debt service fund.

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

The School District's voted legal debt margin was \$32,694,628 with an unvoted debt margin of \$373,385 at June 30, 2001.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2001, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2002	\$290,000	\$30,600	\$320,600
2003	305,000	18,700	323,700
2004	315,000	6,300	321,300
<b>Total</b>	<b>\$910,000</b>	<b>\$55,600</b>	<b>\$965,600</b>

**NOTE 11- RISK MANAGEMENT**

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are fully insured.

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

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**OSBA Workers' Compensation Group Rating**

For fiscal year 2001, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were, \$1,149,367, \$1,007,722 and \$961,496 respectively; 82 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$208,455 representing unpaid contribution for fiscal year 2001 is recorded as a liability within the respective funds.

**B. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per 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, 45 N. Fourth Street, Columbus, Ohio 43215 or by calling (614) 222-5853.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$332,935, \$307,446, and \$310,840, respectively, 50 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$165,120 representing unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

The State Teachers Retirement System (STRS) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium.

The Revised Code grants authority to STRS to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently at 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8 percent of covered payroll to Health Care Reserve Fund. For the School District this amount equaled approximately \$657,000 during fiscal year 2001. The balance in the Health Care Reserve Fund was \$3.419 billion on June 30, 2000.

For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000. There were 99,011 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 2000, the allocation rate is 8.45 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2000, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, the Retirement System's net assets available for payment of health care benefits were \$252.3 million. The number of participants currently receiving health care benefits is approximately 50,000. For the School District, this amount to fund health care benefits, including the surcharge, equaled approximately \$253,000 during the current fiscal year.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**NOTE 14 - EMPLOYEE BENEFITS**

**Compensated Absences**

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

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 272 days for classified employees and 284 days for certificated employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 68 days for classified employees and 71 days for certificated employees.

**NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Rossford Exempted Village School District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$288,709	\$26,871	\$315,580
Depreciation Expense	13,668		13,668
Operating Income (Loss)	(171,254)	(3,319)	(174,573)
Donated Commodities	17,907		17,907
Grants	122,616		122,616
Operating Transfers - In	25,000		25,000
Net Income (Loss)	(5,731)	(3,319)	(9,050)
Net Working Capital	(66,242)	30,329	(35,913)
Total Assets	72,847	30,329	103,176
Total Liabilities	76,828		76,828
Total Equity	(3,981)	30,329	26,348

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**Northwest Ohio Computer Association**

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Financial information can be obtained from Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**Northern Buckeye Education Council**

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, Williams, Wood counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. Total disbursements made by the District to NBEC for GAAP conversion services during this fiscal year were \$3,250. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as Treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

**Penta County Joint Vocational School District**

The Penta County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the sixteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Penta County Joint Vocational School District, Carrie J. Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551.

**NOTE 17 - INSURANCE PURCHASING POOL**

**Ohio School Boards Association Workers' Compensation Group Rating Plan**

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

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP, Rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Wood County Schools Benefit Plan**

The School District participates in the Wood County Schools Benefit Plan, a public entity risk pool currently operating as a common risk management and insurance program for 10 member school districts. The School District pays an annual premium to Wood County Schools Benefit Plan, for its health, dental and life insurance coverage. It is intended that the Wood County Schools Benefit Plan will be self-sustaining through member premiums and reinsures through commercial companies for excess claims.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
June 30, 2001  
(Continued)**

**NOTE 18 - RELATED ORGANIZATION**

**Rossford Public Library**

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

**NOTE 19 - CONTINGENCIES**

**Grants:**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

**Litigation:**

The School District management and legal counsel have indicated that district is not a party to any legal proceedings.

**NOTE 20 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization. The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Cash Balance as of June 30, 2000			\$305,545
Current Year Set-aside Requirement	\$377,624	\$377,624	2,647
Current Year Offsets		(1,043,537)	
Qualifying Disbursements	(325,394)		
Total	<u>\$52,230</u>	<u>(\$665,913)</u>	<u>\$308,192</u>
Cash Balance Carried Forward to FY 2002	<u>\$52,230</u>		<u>\$308,192</u>
Amount restricted for Textbooks			
Amount restricted for Budget Stabilization			
Total Restricted Assets			<u>360,422</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY**

**Notes to the General-Purpose Financial Statements  
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Although the School District had offsets and qualifying disbursements during the year that reduced the capital improvement set aside amounts to below zero, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years except in limited circumstances.

Senate Bill 345 eliminated the Budget Stabilization Reserve as of April 10, 2001. As of June 30, 2001, the Board of Education had not yet taken action to eliminate the budget stabilization reserve.

**NOTE 21 -STATE SCHOOL FUNDING DECISION**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.

Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration, will have on its future State funding and on its financial operations.

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**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

Schedule of Prior Audit Findings

For the Year Ended June 30, 2001

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2001

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Expenditures</u>	<u>Non-cash Expenditures</u>
<u>U.S. Department of Agriculture:</u>						
(Passed through Ohio Department of Education)						
Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$ -	17,907	-	17,907
School Breakfast Program	05-PU	10.553	8,492	-	8,492	-
National School Lunch Program	04-PU	10.555	<u>106,486</u>	<u>-</u>	<u>106,486</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>114,978</u>	<u>17,907</u>	<u>114,978</u>	<u>17,907</u>
<u>U.S. Department of Education:</u>						
(Passed through Ohio Department of Education)						
Title I Grant	C1-S0	84.010	117,772	-	105,040	-
Title VI-B Grant	6B-SF	84.027	189,501	-	153,642	-
Safe and Drug Free Schools	DR-S1	84.186	8,662	-	8,662	-
Eisenhower Professional Development Grant	MS-S1	84.281	7,039	-	9,415	-
Innovative Education Program Strategy	C2-S1	84.298	11,554	-	12,214	-
Class Size Reduction	CR-S1	84.340	<u>33,733</u>	<u>-</u>	<u>36,824</u>	<u>-</u>
Total U.S. Department of Education			<u>368,261</u>	<u>-</u>	<u>325,797</u>	<u>-</u>
<u>U.S. Department of Health and Human Services:</u>						
Medical Assistance Program - CAFS	n/a	93.778	<u>9,108</u>	<u>-</u>	<u>9,108</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>9,108</u>	<u>-</u>	<u>9,108</u>	<u>-</u>
Total Federal Awards			\$ <u><u>492,347</u></u>	<u><u>17,907</u></u>	<u><u>449,883</u></u>	<u><u>17,907</u></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

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

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

Clark, Schaefer, Hackett & Co.  
CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

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

To the Board of Education  
Rossford Exempted Village School District:

We have audited the financial statements of the Rossford Exempted Village School District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 7, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Rossford Exempted Village School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rossford Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 7, 2001

# Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education  
Rossford Exempted Village School District:

### Compliance

We have audited the compliance of Rossford Exempted Village School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Rossford Exempted Village School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rossford Exempted Village School District's compliance with those requirements, and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, Rossford Exempted Village School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

### Internal Control Over Compliance

The management of Rossford Exempted Village School District is responsible for establishing and maintaining effective control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Rossford Exempted Village School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Chuck, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 7, 2001

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2001

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

**Federal Awards**

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none
Identification of major programs:	
<i>CFDA 84.027 Title VI B</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 19, 2002**