

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT**

**PUTNAM COUNTY, OHIO**

**BASIC FINANCIAL STATEMENTS**

***FOR THE FISCAL YEAR ENDED  
JUNE 30, 2008***

**MARK ELLERBROCK, TREASURER**





Mary Taylor, CPA  
Auditor of State

Board of Education  
Columbus Grove Local School District  
201 West Cross Street  
Columbus Grove, Ohio 45830

We have reviewed the *Independent Auditor's Report* of the Columbus Grove Local School District, Putnam County, prepared by Julian & Grube, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

November 30, 2009

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**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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# **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

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## Independent Auditor's Report

Board of Education  
Columbus Grove Local School District  
201 West Cross Street  
Columbus Grove, OH 45830

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

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Grove Local School District as of June 30, 2008, and the respective changes in cash financial position and the respective budgetary comparison for the General fund, thereof for the fiscal year then ended in conformity with the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2009, on our consideration of the Columbus Grove Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education  
Columbus Grove Local School District  
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The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Julian & Grube, Inc.*

Julian & Grube, Inc.  
October 12, 2009



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

This discussion and analysis of the Columbus Grove Local School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008, within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key highlights for 2008 are as follows:

Net assets of governmental activities increased \$318,630, or 7.25 percent, from the prior year.

The District's general governmental receipts were \$7,250,619, the majority these receipts were primarily property taxes and unrestricted state entitlements. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,108,982.

The District had \$8,040,977 in expense related to governmental activities: only \$1,108,982 of these expenses were offset by program specific charges for services, grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$7,250,619 were adequate to provide for these programs.

The District's major governmental funds were the general and bond retirement funds. The general fund had \$7,391,283 in revenues and \$7,087,745 in expenditures. The bond retirement fund had \$125,026 in revenues and \$150,461 in expenditures. During fiscal year 2008, the general fund balance increased \$303,538 from \$3,802,788 to \$4,106,326. The bond retirement fund balance decreased \$25,435 from \$290,289 to \$264,854.

**Using this Annual Report**

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

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the District as a whole.

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

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**Basis of Accounting**

Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and the related assets and liabilities. The District has elected to present its financial statements on the cash basis of accounting. Under the District's cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions. This basis of accounting is a basis of accounting other than generally accepted accounting principles.

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

**Reporting the District as a Whole**

The statement of net assets and the statement of activities reflect how the District did financially during fiscal year 2008, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at fiscal year end. The statement of activities compares cash disbursements with program receipts for each function or program of the District's governmental activities. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

These statements report the District's cash position and the changes in cash position. Factors which contribute to these changes may include, but not limited to, the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and required educational programs.

In the statement of net assets and the statement of activities, the Governmental Activities include the District's programs and services including instruction, support services, non-instructional services, extracurricular activities, and capital outlay disbursements.

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

Fund financial statements provide detailed information about the District's major funds - not the District as a whole. The District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose.

The funds of the District are split into two categories: governmental and fiduciary. While the District uses many funds to account for its financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Bond Retirement Fund.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

Governmental Funds – Most of the District activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the District's programs. The District's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The District's major governmental funds are the General Fund and the Bond Retirement Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.

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

**The District as a Whole**

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

Table 1  
**Net Assets**

	Governmental Activities 2007	Governmental Activities 2008
<b>Assets:</b>		
Cash and Cash Equivalents	\$4,389,724	\$4,713,980
<b>Net Assets:</b>		
Restricted	\$701,040	\$698,520
Unrestricted	3,688,684	4,015,460
Total Net Assets	\$4,389,724	\$4,713,980

Over time, net assets can serve as a useful indicator of a government's financial position. At year-end, net assets were \$4,713,980 for governmental activities.

A portion of the District's net assets, \$698,520, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$4,015,460 may be used to meet the District's ongoing obligations to the students and creditors.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

Table 2 reflects the changes in net assets for the fiscal years ended June 30, 2007 and June 30, 2008:

Table 2

	<u>Governmental Activities 2007</u>	<u>Governmental Activities 2008</u>
Receipts:		
Program Receipts:		
Charges for Services and Sales	\$638,681	\$676,894
Operating Grants and Contributions	614,790	412,247
Capital Grants and Contributions	11,855	19,841
Total Program Receipts	<u>1,265,326</u>	<u>1,108,982</u>
General Receipts:		
Property Taxes Levied for General Purposes	1,452,915	1,441,443
Property Taxes Levied for Debt Service	109,241	108,759
Property Taxes Levied for Capital Projects	44,155	43,656
School District Income Taxes	659,745	720,310
Grants and Entitlements Not Restricted to Specific Programs	4,096,657	4,657,924
Interest	227,441	198,056
Miscellaneous	60,743	80,471
Total General Receipts	<u>6,650,897</u>	<u>7,250,619</u>
Total Receipts	<u>7,916,223</u>	<u>8,359,601</u>
Disbursements:		
Instruction:		
Regular	3,724,826	3,948,912
Special	621,813	754,696
Vocational	101,163	109,825
Support Services:		
Pupil	270,543	265,354
Instructional Staff	136,122	126,425
Board of Education	49,204	35,616
Administration	469,854	494,506
Fiscal	196,199	255,515
Operation and Maintenance of Plant	497,251	561,326
Pupil Transportation	313,027	413,397
Central	9,635	66,148
Operation of non-instructional services	115,182	100,912
Food Services	252,161	291,482
Extracurricular Activities	345,281	388,613

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

	<u>Governmental Activities 2007</u>	<u>Governmental Activities 2008</u>
Capital Outlay	\$65,937	\$80,944
Debt Service	155,100	147,300
Total Disbursements	<u>7,323,298</u>	<u>8,040,971</u>
Increase (Decrease) in Net Assets	592,925	318,630
Net Assets, July 1 (Restated)	<u>3,802,425</u>	<u>4,395,350</u>
Net Assets, June 30	<u>\$4,395,350</u>	<u>\$4,713,980</u>

Net assets of the District's governmental activities increased \$318,630. Total governmental expenses of \$8,040,971 were offset by program revenues of \$1,108,982 and general revenues of \$7,250,619. Program revenues supported 13.79 percent of the total governmental expenses.

The primary sources of revenue for the governmental activities are derived from property taxes, income taxes and grant and entitlements. These revenue sources represent 83.34 percent of total governmental revenue. Real estate property is reappraised every six years.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services, grants and contributions off-setting those services. The following table shows the total cost of these services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

Table 3

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2007	2007	2008	2008
Current:				
Instruction:				
Regular	\$3,724,826	\$3,404,973	\$3,948,912	\$3,635,826
Special	621,813	269,592	754,696	576,595
Vocational	101,163	71,779	109,825	109,825
Other				
Support Services:				
Pupil	270,543	265,543	265,354	265,354
Instructional Staff	136,122	127,122	126,425	126,425
Board of Education	49,204	49,204	35,616	35,616
Administration	469,854	469,854	494,506	494,506
Fiscal	196,199	196,199	255,515	255,515
Operation and Maintenance of Plant	497,251	497,251	561,326	561,326
Pupil Transportation	313,027	301,172	413,397	393,556
Central	9,635	9,635	66,148	66,148
Operation of non-instructional services	115,182	9,124	291,482	(12,136)
Operation of Food Services	252,161	(10,742)	100,912	(3,309)
Extracurricular Activities	345,281	176,229	388,613	198,498
Capital Outlay	65,937	65,937	80,944	80,944
Debt Service	155,100	155,100	147,300	147,300
Total Disbursements	\$7,323,298	\$6,057,972	\$8,040,971	\$6,931,989

The dependence upon tax receipts and unrestricted state entitlements is apparent 89.85 percent of instructional activities are supported through these general receipts. For all governmental activities, general revenue support is 86.21 percent. The District's taxpayers, as a whole, are by far the primary support for District students.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**The Government's Funds**

The District's funds are accounted for using the cash basis of accounting. Total combined fund balance of \$4,713,980, which is higher than last year's total of \$4,395,350. The schedule below indicates fund balance and the total change in fund balance as of June 30, 2008 and 2007.

Table 4

	Fund Balance June 30, 2008	Fund Balance June 30, 2007	Increase (Decrease)
General	\$4,106,326	\$3,802,788	\$303,538
Bond Retirement	264,854	290,289	(25,435)
Other Governmental	342,800	302,273	40,527
Total Fund Balance	<u>\$4,713,980</u>	<u>\$4,395,350</u>	<u>\$318,630</u>

**General Fund**

The District's general fund's balance increased by \$303,538.

The table that follows assists in illustrating the financial activities of the general fund.

Table 5

	2007 Amount	2008 Amount
<b>Revenues</b>		
Taxes	\$2,112,660	\$2,161,753
Tuition	272,246	277,761
Earnings on Investments	215,857	187,709
Intergovernmental	4,388,467	4,719,419
Other Revenues	26,890	44,641
Total Revenue	<u>\$7,016,120</u>	<u>\$7,391,283</u>
<b>Expenditures</b>		
Instruction	\$4,306,460	\$4,679,076
Support Services	1,904,371	2,159,810
Non-instructional	0	29
Extracurricular activities	174,337	186,963
Facilities acquisition and construction	41,886	61,867
Total Expenditures	<u>\$6,427,054</u>	<u>\$7,087,745</u>

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**General Fund Budgeting Highlights**

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

During fiscal year 2008, the District amended its General Fund budget as needed to reflect changing circumstances. Final budgeted receipts, in the amount of \$7,211,998, were lower than the original budgeted revenue estimate of \$7,217,993. Actual revenues and other financing sources for fiscal year 2008 was \$7,391,283. This represents a \$179,285 increase from final budgeted revenues.

General Fund original budgeted appropriations (appropriated expenditures plus other financing uses) of \$7,778,675 were reduced to \$7,772,680 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$7,141,287 which was \$631,393 less than the final budget appropriations.

**Capital Assets and Debt Administration**

Capital Assets

The District's capital assets are not reflected in the cash basis of accounting statements, however the District does track capital assets through the State provided software program.

Debt

At June 30, 2008, the District's outstanding debt included general obligation bonds, in the amount of \$360,000 of this total \$120,000 is due within one year and \$240,000 is due in more than one year. The following table summarizes the bonds outstanding.

Table 6

	Balance June 30, 2008	Balance June 30, 2007	(Decrease)
<b>General Obligation Bonds</b>			
1987 Issue	\$360,000	\$480,000	(\$120,000)

**Current Issues**

The challenge for all districts is to provide quality educational services to the public while staying within the restrictions imposed by limited funding, and in some cases shrinking funding. The District relies heavily on unrestricted state entitlements and local taxes. The District's five year forecast predicts no deficits in the near future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Government's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mark Ellerbrock, Treasurer, Columbus Grove Local School District, 201 West Cross Street, Columbus Grove, Ohio 45830.



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Net Assets - Cash Basis  
June 30, 2008

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$4,713,980</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$84,063
Debt Service	264,854
Set Asides	90,866
Other Purposes	258,737
Unrestricted	<u>4,015,460</u>
<i>Total Net Assets</i>	<u><u>\$4,713,980</u></u>

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Activities - Cash Basis  
For the Fiscal Year Ended June 30, 2008

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Current:					
Instruction:					
Regular	\$3,948,912	\$277,761	\$35,325		(\$3,635,826)
Special	754,696		178,101		(576,595)
Vocational	109,825				(109,825)
Support Services:					
Pupil	265,354				(265,354)
Instructional Staff	126,425				(126,425)
Board of Education	35,616				(35,616)
Administration	494,506				(494,506)
Fiscal	255,515				(255,515)
Operation and Maintenance of Plant	561,326				(561,326)
Pupil Transportation	413,397			\$19,841	(393,556)
Central	66,148				(66,148)
Operation of Non-Instructional Services	100,912		113,048		12,136
Extracurricular Activities	388,613	190,115			(198,498)
Capital Outlay	80,944				(80,944)
Food Service	291,482	209,018	85,773		3,309
Debt Service	147,300				(147,300)
<b>Total Governmental Activities</b>	<b>\$8,040,971</b>	<b>\$676,894</b>	<b>\$412,247</b>	<b>\$19,841</b>	<b>(6,931,989)</b>

**General Receipts**

Property Taxes Levied for:	
General Purposes	1,441,443
Debt Service	108,759
Capital Outlay	43,656
Income Taxes	720,310
Grants and Entitlements not Restricted to Specific Programs	4,657,924
Interest	198,056
Miscellaneous	80,471
<b>Total General Receipts</b>	<b>7,250,619</b>
Change in Net Assets	318,630
<i>Net Assets Beginning of Year (restated)</i>	<b>4,395,350</b>
<i>Net Assets End of Year</i>	<b>\$4,713,980</b>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Assets and Fund Balances - Cash Basis  
Governmental Funds  
For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Other Governmental Funds	Total Government Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$4,015,460	\$264,854	\$342,800	\$4,623,114
<b>Restricted Assets</b>				
Equity in Pooled Cash and Cash Equivalents	90,866			90,866
<i>Total Assets</i>	<u>\$4,106,326</u>	<u>\$264,854</u>	<u>\$342,800</u>	<u>\$4,713,980</u>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	\$53,542		\$35,454	\$88,996
Bus Purchases	19,351			19,351
Textbooks	33,642			33,642
Capital Outlay	37,873			37,873
Unreserved:				
Undesignated, Reported in				
General Fund	3,961,918			3,961,918
Special Revenue Funds			227,784	227,784
Debt Service Fund		\$264,854		264,854
Capital Projects Funds			79,562	79,562
<i>Total Fund Balances</i>	<u>\$4,106,326</u>	<u>\$264,854</u>	<u>\$342,800</u>	<u>\$4,713,980</u>

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Cash Receipts, Disbursements and Changes in  
Fund Balances - Cash Basis - Governmental Funds  
For the Fiscal Year Ended June 30, 2008

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Property Taxes	\$1,441,443	\$108,759	\$43,656	\$1,593,858
Income Taxes	720,310			720,310
Intergovernmental	4,719,419	16,267	354,326	5,090,012
Interest	187,709		10,347	198,056
Tuition and Fees	277,761			277,761
Extracurricular Activities			190,115	190,115
Food Service			209,018	209,018
Contributions and Donations	16,854			16,854
Rentals	4,027			4,027
Miscellaneous	23,760		35,830	59,590
<i>Total Receipts</i>	<u>7,391,283</u>	<u>125,026</u>	<u>843,292</u>	<u>8,359,601</u>
<b>Disbursements</b>				
Current:				
Instruction:				
Regular	3,898,286		50,626	3,948,912
Special	670,965		83,731	754,696
Vocational	109,825			109,825
Support Services:				
Pupil	247,642		17,712	265,354
Instructional Staff	122,873		3,552	126,425
Board of Education	35,616			35,616
Administration	491,817		2,689	494,506
Fiscal	251,065	3,161	1,289	255,515
Operation and Maintenance of Plant	541,485		19,841	561,326
Pupil Transportation	413,397			413,397
Central	55,915		10,233	66,148
Food Service			291,482	291,482
Operation of Non-Instructional Services	29		100,883	100,912
Extracurricular Activities	186,963		201,650	388,613
Capital Outlay	61,867		19,077	80,944
Debt Service:				
Principal Retirement		120,000		120,000
Interest and Fiscal Charges		27,300		27,300
<i>Total Disbursements</i>	<u>7,087,745</u>	<u>150,461</u>	<u>802,765</u>	<u>8,040,971</u>
<i>Net Change in Fund Balances</i>	<u>303,538</u>	<u>(25,435)</u>	<u>40,527</u>	<u>318,630</u>
<i>Fund Balances Beginning of Year (restated)</i>	<u>3,802,788</u>	<u>290,289</u>	<u>302,273</u>	<u>4,395,350</u>
<i>Fund Balances End of Year</i>	<u>\$4,106,326</u>	<u>\$264,854</u>	<u>\$342,800</u>	<u>\$4,713,980</u>

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Receipts, Disbursements and Changes in Fund Balance  
Budget and Actual Comparison -Budget Basis  
General Fund  
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Receipts</b>				
Property Taxes	\$1,481,208	\$1,466,998	\$1,441,443	(\$25,555)
Income Taxes	650,000	650,000	720,310	70,310
Intergovernmental	4,604,285	4,612,500	4,719,419	106,919
Interest	150,000	150,000	187,709	37,709
Tuition and Fees	311,500	311,500	277,761	(33,739)
Contributions and Donations	10,000	10,000	16,854	6,854
Rentals	1,000	1,000	4,027	3,027
Miscellaneous	10,000	10,000	23,760	13,760
<i>Total receipts</i>	<u>7,217,993</u>	<u>7,211,998</u>	<u>7,391,283</u>	<u>179,285</u>
<b>Disbursements</b>				
Current:				
Instruction:				
Regular	4,232,946	4,229,686	3,886,097	343,589
Special	732,967	732,402	672,907	59,495
Vocational	121,144	121,050	111,217	9,833
Other	26,083	26,063	23,946	2,117
Support Services:				
Pupil	278,414	278,200	255,601	22,599
Instructional Staff	139,810	139,702	128,354	11,348
Board of Education	42,280	42,248	38,816	3,432
Administration	539,765	539,349	495,536	43,813
Fiscal	274,781	274,569	252,265	22,304
Operation and Maintenance of Plant	595,852	595,393	547,028	48,365
Pupil Transportation	456,529	456,178	419,121	37,057
Central	66,656	66,604	61,194	5,410
Extracurricular Activities	204,055	203,898	187,335	16,563
Capital Outlay	67,392	67,338	61,870	5,468
<i>Total Disbursements</i>	<u>7,778,675</u>	<u>7,772,680</u>	<u>7,141,287</u>	<u>631,393</u>
<i>Excess of Receipts Over/(Under) Disbursements</i>	<u>(560,682)</u>	<u>(560,682)</u>	<u>249,996</u>	<u>810,678</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	0	40,000	40,000
Advances Out	0	0	(40,000)	(40,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(560,682)	(560,682)	249,996	810,678
<i>Fund Balance Beginning of Year</i>	3,624,113	3,624,113	3,624,113	0
<i>Prior Year Encumbrances Appropriated</i>	178,675	178,675	178,675	0
<i>Fund Balance End of Year</i>	<u><u>\$3,242,106</u></u>	<u><u>\$3,242,106</u></u>	<u><u>\$4,052,784</u></u>	<u><u>\$810,678</u></u>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

Statement of Fiduciary Net Assets - Cash Basis  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2008

	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$42,105</u>
<b>Net Assets</b>	
Held for Student Activities	<u>\$42,105</u>

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

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

The Columbus Grove Local School District (the "District") is a body politic and corporate established to exercise the rights and privileges the constitution and laws of the State of Ohio convey to it.

A locally-elected five-member Board governs the District, which provides educational services mandated by the State and federal agencies. This Board of Education controls the District's one instructional/support facility staffed by 34 classified employees, 64 certificated full-time personnel, and 4 administrators who provide services to 934 students and other community members.

***Reporting Entity***

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

Component units are legally separate organizations for which the District can "impose its will," such as by appointing a voting majority of the component unit's governing body. Component units may also include organizations fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. The District has no component units.

The District has no joint ventures.

The District participates in 4 jointly governed organizations and 3 public entity risk pools. The financial statements exclude these entities which perform activities within the District's boundaries for the benefit of its residents because the District is not financially accountable for these entities nor are these entities fiscally dependent on the District. Notes 7 and 13 to the financial statements provide additional information for these entities. These organizations are:

Jointly Governed Organizations:

Northwest Ohio Area Computer Services Cooperative  
Apollo Career Center  
West Central Regional Professional Development Center  
Northwest Ohio Special Education Regional Resource Center

Public Entity Risk Pool:

Putnam County School Insurance Group  
OSBA Workers Compensation Group Rating Program  
Schools of Ohio Risk Sharing Authority

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

Although Ohio Administrative Code Section 117-2-03 (B) requires the District's financial report to follow generally accepted accounting principles, the District chooses to prepare its financial statements and notes in accordance with the cash-basis of accounting.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

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

The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The District recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved). Differences between disbursements reported in the fund and entity wide statements versus budgetary expenditures result from encumbrances outstanding at the beginning and end of the fiscal year.

***A. Fund Accounting***

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

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

***General Fund*** The general fund accounts for all financial resources except for restricted resources requiring a separate accounting. The general fund balance is available for any purpose provided it is disbursed or transferred according to Ohio law.

***Debt Service Fund*** The debt service fund accounts for resources received from property taxes to pay school improvement general obligation bond principal, interest and related costs.

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

***Fiduciary:*** The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. Agency funds are custodial in nature. The District's agency fund accounts for various student-managed activities.

***B. Basis of Presentation***

The District's basic financial statements consist of a government-wide statement of activities and fund financial statements providing more detailed financial information.

***Government-wide Financial Statement of Activities:*** This statement displays information about the District as a whole, except for fiduciary funds.



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

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

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the cash basis or draws from the District's general receipts.

***Fund Financial Statements:*** Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds. Fund statements present each major fund in a separate column and aggregate nonmajor funds in a single column. Fiduciary funds are reported by type.

***C. Cash, Cash Equivalents and Investments***

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

Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

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

Following Ohio statutes, the Board of Education specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$187,709, which includes \$20,514 assigned from other District funds.

***D. Restricted Assets***

The financial statements classify cash, cash equivalents and investments as restricted when external limitations change the nature or normal understanding of their use. Creditors, contributors, grantors, laws of other governments or enabling legislation are the sources of the restrictions. Restricted cash and cash equivalents in the General Fund includes amounts State statute requires to be set aside for textbooks and instructional materials, capital improvements and bus purchases.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

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

***E. Inventory and Prepaid Items***

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

***F. Capital Assets***

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

***G. Compensated Absences***

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

***H. Long-term Obligations***

The District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

***I. Fund Balance Reserves***

The District reserves those portions of fund equity legally segregated for a specific future use or which are not available for appropriation or disbursement. The District has fund balance reserves for encumbrances, school bus purchases, instructional materials and textbooks, and capital purchases.

***J. Net Assets***

The statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use.

The District first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

***K. Interfund Activity***

The statements report exchange transactions between funds as receipts in the seller funds and as disbursements in the purchasing funds. Nonexchange flows of cash from one fund to another are reported as interfund transfers. Governmental funds report interfund transfers as other financing sources/uses. The statements do not report repayments from funds responsible for particular disbursements to the funds initially paying the costs.

The statements report interfund loans as advances when made or repaid. There were no unpaid advances as of June 30, 2008.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

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

***L. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the Board of Education's control that are either unusual in nature or infrequent in occurrence. Neither type of transactions occurred during fiscal 2008.

***M. Budgetary Data***

Ohio law requires the Board of Education to budget and appropriate all funds, other than agency funds. The major documents prepared are the appropriation resolution and the certificate of estimated resources, which use the budgetary basis of accounting. The budgetary basis reports expenditures when a commitment is made (i.e., when an encumbrance is approved). The certificate of estimated resources establishes a limit on the amounts the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control the Board selects. The Board of Education uses the fund as its legal level of control. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the general fund budgetary statement comparison at the fund and function level.

The certificate of estimated resources may be amended during the year if the District Treasurer projects increases or decreases in receipts. The amounts reported as the original budget in the budgetary statements reflect the amounts in the certificate when the Board adopted the original appropriations. The amounts reported as the final budget in the budgetary statements reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

The Board may amend appropriations throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget reflect the first appropriation for a fund covering the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budget represent the final appropriation the Board passed during the fiscal year.

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING AND COMPLIANCE**

**Budgetary**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$53,542 in the general fund.

**Compliance**

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (CONTINUED)**

**Undeposited Cash:** At year end, the District had \$500 in undeposited cash on hand, included as part of equity in pooled cash and cash equivalents.

**Deposits:** At June 30, 2008, the carrying amount of all District deposits was \$24,870. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, all of the District's bank balance of \$166,579 was covered by the Federal Deposit Insurance Corporation.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

**Investments:** At June 30, 2008, the District had investments with STAR Ohio with a carrying value of \$4,730,715.

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

**Concentration of Credit Risk:** The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
STAR Ohio	\$ 4,730,715	100.00
Total	<u>\$ 4,730,715</u>	<u>100.00</u>

STAR Ohio carries a rating of AAAM by Standard and Poor's. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**NOTE 5 - PROPERTY TAXES**

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 5 - PROPERTY TAXES - (Continued)**

Property taxes include amounts levied against all real property, public utility property and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed values as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2008 represent the collection of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien on December 31, 2006, were levied after April 1, 2007, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2008 (other than public utility property) represent the collection of calendar year 2008 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2007 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2008 were levied after October 1, 2007, on the value as of December 31, 2007. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Putnam County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available as an advance at June 30, 2008 was \$104,053 in the general fund and \$8,036 in the bond retirement debt service fund. These amounts are recorded as revenue. The amount available for advance at June 30, 2007 was \$113,221 in the general fund and \$7,697 in the bond retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

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

	2008 First Half Collections		2007 Second Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 75,043,230	93.23	\$ 73,990,420	93.76
Public utility personal	3,094,430	5.12	4,019,240	5.43
Tangible personal property	<u>645,355</u>	<u>1.65</u>	<u>904,125</u>	<u>0.81</u>
Total	<u>\$ 78,783,015</u>	<u>100.00</u>	<u>\$ 78,913,785</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$31.05		\$31.05	

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 6 - SCHOOL DISTRICT INCOME TAX**

The district levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective January 1, 1996 and expires on December 31, 2010. Employers of residents are required to withhold income tax on compensation and remit the tax to the state. Taxpayers are required to file an annual return. The state makes quarterly distributions to the district after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund and totaled \$720,310 for fiscal year 2008.

**NOTE 7 - RISK MANAGEMENT**

**A. Risk Pool Membership**

The District is a member of the Schools of Ohio Risk Sharing Authority (SORSA). SORSA is a member owned organization having approximately 76 members. SORSA is a joint self-insurance pool. SORSA assumes the risk of loss up to the limits of (the District's) policy. SORSA covers the following risks:

- General Liability
- Automobile Liability
- School Officials Errors and Omissions
- Property
- Crime

The District contributes to the funding, operating and maintaining of the SORSA joint self insurance pool. The district's contributions cover deductible losses, loss fund contributions, insurance costs, and administration costs.

The District paid \$41,438 in premiums to the pool during fiscal year 2008 for coverage during fiscal year 2009. The District paid \$44,701 in premiums during fiscal year 2007 for coverage in fiscal year 2008.

SORSA financial statements are available by contacting SORSA at:

Schools of Ohio Risk Sharing Authority, Inc.  
OSBA Building  
8050 North High Street  
Columbus, Ohio 43235-6483

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant reduction in amounts of insurance coverage from 2007.

***B. Employee Medical Benefits***

The District participates as a member of the Putnam County School Insurance Group, a public entity risk pool, administered by Huntington Trust. The District converted its fully-insured medical insurance program to partial self insurance through participation in this public entity risk pool. Medical Mutual of Ohio provides claim review and processing. The District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained for expected claims.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 7 - RISK MANAGEMENT - (Continued)**

***C. Workers' Compensation***

For fiscal year 2008 the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is 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. GRP then calculates total savings and each participant's individual performance is compared to the overall Plan's savings percentage. A participant then either receives money from or contributes to GRP's 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.

**NOTE 8 - PENSION PLANS**

**A. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$73,092, \$75,898 and \$72,620, respectively; 47.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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

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



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 8 - PENSION PLANS - (Continued)**

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

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007 and 2006 were \$442,388, \$423,058 and \$399,144, respectively; 82.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$10,534 made by the District and \$6,799 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2008, no members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 9 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$43,720, \$33,960 and \$33,537, respectively; 47.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$5,266, \$4,832 and \$5,354, respectively; 47.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 9 - POSTEMPLOYMENT BENEFITS - (Continued)**

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

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$34,030, \$32,543 and \$30,703, respectively; 82.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**NOTE 10 - DEBT**

The changes in the District's debt obligations during the year consist of the following :

	Principal Outstanding <u>6/30/2007</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>6/30/2008</u>	Amount Due in <u>One Year</u>
<b>Governmental Activities</b>					
General Obligation Bonds:					
Construction and Improvement Bonds	\$480,000	\$0	\$120,000	\$360,000	\$120,000

General obligation bonds were issued to provide funds for the acquisition and construction of equipment and facilities. The Bonds were issued at a rate of 6.50 percent during 1987, with final maturity in fiscal year 2011. The full faith and credit of the District is pledged for repayment and will be repaid with taxes assessed on all property within the District.

At June 30, 2008, the District's overall legal debt margin was \$7,032,530 with an unvoted debt margin of \$78,914.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 10 - DEBT - (CONTINUED)**

Principal and interest requirements to retire long-term liabilities outstanding at June 30, 2008 are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2009	\$120,000	\$19,500	\$139,500
2010	120,000	11,700	131,700
2011	120,000	3,900	123,900
Total	\$360,000	\$35,100	\$395,100

**NOTE 11 - SET-ASIDE CALCULATIONS**

State statute annually requires the District to set aside in the general fund an amount based on a statutory formula to purchase textbooks and other instructional materials and an equal amount to acquire and construct capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the fiscal year must be held in cash at year end and carried forward for the same uses in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisition. State statute requires disclosing this information.

	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2007	\$86,532	\$15,717
Current year set-aside requirements	142,881	142,881
Current year off-sets	(40,000)	-
Qualifying Disbursements	(151,540)	(124,956)
Total	\$37,873	\$33,642
Set-aside Reserve Balance as of June 30, 2007	\$37,873	\$33,642

**NOTE 12 - CONTINGENCIES**

**A. Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2008 will not have a material adverse effect on the District.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 12 - CONTINGENCIES - (CONTINUED)**

***B. Litigation***

The District is not a party to any legal proceedings.

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

**Northwest Ohio Area Computer Services Cooperative**

The District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent school district. Financial information can be obtained from Ray Burden, who serves as director, at 645 South Main Street, Lima, Ohio 45804.

**Apollo Career Center**

The Apollo Career Center (Apollo) is a distinct political subdivision of the State of Ohio established under § 3313.90. Apollo operates under the direction of a Board of Education consisting of one representative from each of the participating school district's elected boards. The Board possesses its own budgeting and taxing authority. Financial information is available from Apollo's Treasurer at 3325 Shawnee Road, Lima, Ohio 45806-1497.

**West Central Regional Professional Development Center**

The West Central Regional Professional Development Center (Center) is a jointly governed organization among the school districts in Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, and Van Wert Counties. The organization was formed to establish an articulated regional structure for professional development in which school districts, the business community, higher education, and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improvements in instructional programs.

The Center is governed by a fifty-two member board made up of representatives from the participating school districts, the business community, and two institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Sandy Knudson, Hancock County Educational Service Center, 7746 County Road 140, Findlay, Ohio 45840.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

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

**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS - (CONTINUED)**

**Northwest Ohio Special Education Regional Resource Center**

The Northwest Ohio Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to initiate, expand, and improve special education programs and services for children with disabilities and their parents. The SERRC is made up of school districts from Defiance, Fulton, Hancock, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Seneca, Van Wert, Williams, and Wood counties. The SERRC is governed by a thirty-three member board consisting of twenty-six superintendents, one director of student services, one parent representative, one representative from a community school, one representative from a mental health board, one representative from a parent advisory council, one representative from Bowling Green State University, and one representative from the University of Toledo. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from David Michel, Eastwood Local Schools, 4800 Sugar Ridge Road, Pemberville, Ohio 43450.

**NOTE 14 - RESTATEMENT OF FUND BALANCES/NET ASSETS**

The District is restating its other governmental funds and Agency fund balances at July 1, 2007. The prior period adjustment is due to a change in the intent and use of the proceeds of funds. The prior period adjustment had the following effect on the District's fund balances/net assets.

	Other Governmental <u>Fund Balance</u>	Agency <u>Fund Balance</u>	Net <u>Assets</u>
Balance 06/30/07	\$ 296,647	\$ 51,436	\$ 4,389,724
Prior Period Adjustment	<u>5,626</u>	<u>(5,626)</u>	<u>5,626</u>
Restated Balances 07/01/07	<u>\$ 302,273</u>	<u>\$ 45,810</u>	<u>\$ 4,395,350</u>



**Julian & Grube, Inc.**  
*Serving Ohio Local Governments*

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

Board of Education  
Columbus Grove Local School District  
201 West Cross Street  
Columbus Grove, OH 45830

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Columbus Grove Local School District, Putnam County, as of and for the fiscal year ended June 30, 2008, which collectively comprise the Columbus Grove Local School District's basic financial statements and have issued our report thereon dated October 12, 2009, wherein we noted the Columbus Grove Local School District prepares its financial statements on the cash basis of accounting, a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Columbus Grove Local School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbus Grove Local School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Columbus Grove Local School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Columbus Grove Local School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with its applicable basis of accounting such that there is more than a remote likelihood that a misstatement of Columbus Grove Local School District's financial statements that is more than inconsequential will not be prevented or detected by Columbus Grove Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Columbus Grove Local School District's internal control.

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

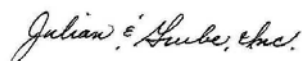
Board of Education  
Columbus Grove Local School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbus Grove Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

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

This report is intended solely for the information and use of the management and Board of Education of Columbus Grove Local School District and is not intended to be and should not be used by anyone other than these specified parties.



Julian & Grube, Inc.  
October 12, 2009



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2008-CGLSD-001

Ohio Administrative Code §117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP). However, as described in Note 2, the District prepares its financial statements on the basis of accounting in accordance with standards established by the Auditor of State for governmental entities that are not required to prepare annual reports in accordance with accounting principles generally accepted in the United States of America. This basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The accompanying financial statements omit assets, liabilities, and fund equities, and disclosures that, while material, cannot be determined at this time. The District may be fined and various other administrative remedies may be taken against the District. In addition, the lack of complying with this requirement could potentially place federal funding in jeopardy.

We recommend that the District file their financial report in accordance with GAAP. The District may find it beneficial to consult with an accounting firm to compile or assist them in compiling their financial statements in accordance with GAAP.

Client Response: The District is not anticipating having their financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS  
JUNE 30, 2008**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</b>
2007-CGLSD-001	Ohio Administrative Code § 117-2-3(B) reporting on a basis other than generally accepted accounting principles.	No	Not Corrected - Repeated as finding 2008-CGLSD-001



**Mary Taylor, CPA**  
Auditor of State

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT**  
**PUTNAM 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**  
**DECEMBER 10, 2009**