



Dave Yost • Auditor of State

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	9
Statement of Activities.....	10
Fund Financial Statements	
Balance Sheet - Governmental Funds.....	11
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund	15
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	16
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Fund.....	17
Notes to the Basic Financial Statements	19
Federal Awards Receipts and Expenditures Schedule.....	45
Notes to the Federal Awards Receipts and Expenditures Schedule	46
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	47
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	49
Schedule of Findings.....	51
Corrective Action Plan.....	55
Schedule of Prior Audit Findings.....	57
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	59

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, the District implemented Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The federal awards receipts and expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State

February 9, 2012

**Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited**

The discussion and analysis of Rossford Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Highlights

Highlights for fiscal year 2011 are as follows:

In total, net assets increased \$1,136,376, or 6 percent. Both revenues and expenses increased; however, total revenues were in excess of expenses for the fiscal year leading to the increase in net assets.

General revenues were \$23,718,224 for fiscal year 2011, or 89 percent of all revenues, and reflect the School District's significant dependence on property taxes and unrestricted state entitlements.

Using the Basic Financial Statements

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

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

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

Reporting the School District as a Whole

The statement of net assets and the statement of activities reflect how the School District did financially during fiscal year 2011. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, all of the School District's activities are reflected as governmental activities including instruction, support services, non-instructional services, and extracurricular activities.

**Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited**

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

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

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

The School District as a Whole

Table 1 provides a summary of the School District's net assets for fiscal year 2011 and fiscal year 2010:

Table 1 Net Assets			
	Governmental Activities		
	2011	2010	Change
<u>Assets:</u>			
Current and Other Assets	\$24,723,412	\$26,169,960	(\$1,446,548)
Capital Assets, Net	10,646,466	9,412,905	1,233,561
Total Assets	<u>35,369,878</u>	<u>35,582,865</u>	<u>(212,987)</u>
<u>Liabilities:</u>			
Current and Other Liabilities	\$13,664,528	\$15,129,108	\$1,464,580
Long-Term Liabilities	1,930,603	1,815,386	(115,217)
Total Liabilities	<u>15,595,131</u>	<u>16,944,494</u>	<u>1,349,363</u>
<u>Net Assets:</u>			
Invested in Capital Assets	10,646,466	9,412,905	1,233,561
Restricted	1,836,104	1,569,342	266,762
Unrestricted	7,292,177	7,656,124	(363,947)
Total Net Assets	<u>\$19,774,747</u>	<u>\$18,638,371</u>	<u>\$1,136,376</u>

As noted in the above table, there were a couple of significant changes from the prior fiscal year. Two primary factors led to the decrease in current and other assets. There was a decrease in cash and cash equivalents as resources were spent on construction activities for the new athletic complex; also note the increase in net capital assets and invested in capital assets. The decrease in current and other liabilities was due, in large part, to a decrease in deferred revenue. The School District had \$2.6 million in property taxes available for an advance as of fiscal year end; at the conclusion of the prior fiscal year, there was only \$1.8 million available for an advance. There was also a decrease of over \$434,000 in the liability for contracts outstanding at fiscal year end as the construction project was nearing completion.

**Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited**

Table 2 reflects the change in net assets for fiscal year 2011 and fiscal year 2010.

Table 2
Change in Net Assets

	Governmental Activities		
	2011	2010	Change
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$1,002,528	\$969,667	\$32,861
Operating Grants and Contributions	1,918,753	1,841,154	77,599
Total Program Revenues	<u>2,921,281</u>	<u>2,810,821</u>	<u>110,460</u>
General Revenues			
Property Taxes Levied for General Purposes	12,998,266	12,106,298	891,968
Payment in Lieu of Taxes	449,909	701,488	251,579
Grants and Entitlements	8,621,980	8,593,200	28,780
Interest	47,465	25,488	21,977
Gifts and Donations	1,454,918	1,352,858	102,060
Miscellaneous	145,686	110,667	35,019
Total General Revenues	<u>23,718,224</u>	<u>22,889,999</u>	<u>828,225</u>
Total Revenues	<u>26,639,505</u>	<u>25,700,820</u>	<u>938,685</u>
<u>Expenses:</u>			
Instruction:			
Regular	11,077,217	10,924,444	(152,773)
Special	2,648,686	2,422,326	(226,360)
Vocational	324,894	286,183	(38,711)
Adult/Continuing	31,901	28,992	(2,909)
Support Services:			
Pupils	1,966,067	2,133,830	167,763
Instructional Staff	1,391,929	1,276,523	(115,406)
Board of Education	64,983	46,075	(18,908)
Administration	2,106,170	2,075,593	(30,577)
Fiscal	448,929	429,020	(19,909)
Business	111,724	106,393	(5,331)
Operation and Maintenance of Plant	1,979,800	1,260,924	(718,876)
Pupil Transportation	1,058,612	1,009,021	(49,591)
Central	494,736	475,466	(19,270)
Non-Instructional Services	983,361	955,916	(27,445)
Extracurricular Activities	814,120	741,412	(72,708)
Total Expenses	<u>25,503,129</u>	<u>24,172,118</u>	<u>(1,331,011)</u>
Increase in Net Assets	<u>1,136,376</u>	<u>1,528,702</u>	<u>(392,326)</u>
Net Assets at Beginning of Year	<u>18,638,371</u>	<u>17,109,669</u>	<u>1,528,702</u>
Net Assets at End of Year	<u>\$19,774,747</u>	<u>\$18,638,371</u>	<u>\$1,136,376</u>

Overall, revenues had an increase of almost 4 percent from the prior fiscal year with the largest increase reflected in property taxes, and the result of greater resources being available for an advance as of fiscal year end.

Expenses increased 5.5 percent from the prior fiscal year with increases reflected in most programs and generally due to salary and related increases. The increase in operation and maintenance reflects costs associated with the construction project. The major program expenses for governmental activities are for instruction, which are approximately 55 percent of total governmental expenses. However, note there are other programs which also support the instruction process including pupils, instructional staff, and pupil transportation.

**Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited**

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction:				
Regular	\$11,077,217	\$10,924,444	\$10,460,206	\$10,497,949
Special	2,648,686	2,422,326	1,487,511	1,151,695
Vocational	324,894	286,183	318,190	279,529
Adult/Continuing	31,901	28,992	31,901	28,992
Support Services:				
Pupils	1,966,067	2,133,830	1,961,067	2,128,830
Instructional Staff	1,391,929	1,276,523	1,391,929	1,276,523
Board of Education	64,983	46,075	64,983	46,075
Administration	2,106,170	2,075,593	2,106,170	2,075,593
Fiscal	448,929	429,020	448,929	429,020
Business	111,724	106,393	111,724	106,393
Operation and Maintenance of Plant	1,979,800	1,260,924	1,979,800	1,260,924
Pupil Transportation	1,058,612	1,009,021	1,058,612	1,009,021
Central	494,736	475,466	494,736	475,466
Non-Instructional Services	983,361	955,916	108,314	77,715
Extracurricular Activities	814,120	741,412	557,776	517,572
Total Expenses	<u>\$25,503,129</u>	<u>\$24,172,118</u>	<u>\$22,581,848</u>	<u>\$21,361,297</u>

As can be seen above, the dependence on general revenues for most programs is significant. Only several of the School District's programs receive a notable amount of program revenues to offset program costs. The special instruction program provides for 44 percent of its costs through program revenues from operating grants restricted for special instruction purposes (this was a decrease from fiscal year 2010 due to the receipt of ARRA grant resources in the prior fiscal year). Program revenues in the non-instructional program include cafeteria sales and state and federal subsidies and donated commodities for food service operations as well as operating grants received on behalf of All Saints parochial school. Program revenues in the extracurricular activities program include music and athletic fees, ticket sales, and gate receipts.

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The General Fund had a very insignificant change in fund balance from the prior fiscal year, less than a one-half percent.

**Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited**

General Fund Budgeting Highlights

The School 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 2011, the School District amended its General Fund budget as needed. For revenues, there was not a significant change from the original budget to the final budget; however, there was a 20 percent decrease from the final budget to actual revenues, with a decrease in intergovernmental revenues of over \$5.3 million. This was due to School District doubling the estimate for the tangible personal property reimbursement, not recognizing that the County had already included this amount in the amended certificate of estimated resources.

For expenditures, changes from the original budget to the final budget as well as from the final budget to actual expenditures were not significant in total; however, actual expenditures for operation and maintenance of plant were \$1.3 million more than budgeted. The School District failed to request an amended certificate of estimate resources and increase the appropriations for additional expenditures related to construction on the athletic complex.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2011, the School District had \$10,646,466 invested in capital assets (net of accumulated depreciation). Additions were primarily related to the athletic complex construction with an additional \$1.5 million in construction. Disposals were minimal. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Debt

The School District's long-term obligations consist of compensated absences. For further information regarding the School District's long-term obligations, refer to Note 16 to the basic financial statements.

Current Issues

The School District's current five-year forecast indicates that the School District is in a sound financial position throughout fiscal years 2012 through 2016. This is based on the assumption that two 7.9 mill levy issues that expire in 2011 are renewed.

In anticipation of the loss of tangible personal taxes, the result of HB 66, the School District has reduced the budget for the past seven fiscal years and expects to do so again in fiscal year 2012. Most of the reductions to date have occurred through attrition, a trend expected to continue in an environment of contracting student enrollment and an aging staff.

Labor contracts for both certified and classified employees are in the first year of two-year contract for certified staff and a three-year contract for classified staff. The School District has been using the Interest Based Model of negotiating very successfully over the past decade.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School 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 James Rossler, Jr., Treasurer, Rossford Exempted Village School District, 601 Superior Street, Rossford, Ohio 43460.

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Rossford Exempted Village School District
Wood County
Statement of Net Assets
June 30, 2011

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$11,168,644
Accounts Receivable	13,401
Accrued Interest Receivable	9,162
Intergovernmental Receivable	461,122
Prepaid Items	49,653
Inventory Held for Resale	8,274
Materials and Supplies Inventory	2,400
Property Taxes Receivable	12,606,008
Payment in Lieu of Taxes Receivable	404,748
Nondepreciable Capital Assets	6,178,589
Depreciable Capital Assets, Net	4,467,877
Total Assets	35,369,878
<u>Liabilities:</u>	
Accounts Payable	133,663
Accrued Wages and Benefits Payable	2,686,430
Intergovernmental Payable	760,333
Matured Compensated Absences Payable	118,546
Retainage Payable	20,000
Separation Benefits Payable	185,000
Deferred Revenue	9,760,556
Long-Term Liabilities:	
Due Within One Year	201,480
Due in More Than One Year	1,729,123
Total Liabilities	15,595,131
<u>Net Assets:</u>	
Invested in Capital Assets	10,646,466
Restricted For:	
Set Asides	1,446,759
Debt Service	85,887
Capital Projects	8,311
Athletics	65,282
Other Purposes	229,865
Unrestricted	7,292,177
Total Net Assets	\$19,774,747

See Accompanying Notes to Basic Financial Statements

Rossford Exempted Village School District
Wood County
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Program Revenues		Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions
<u>Governmental Activities:</u>			
Instruction:			
Regular	\$11,077,217	\$399,095	\$217,916
Special	2,648,686	40,786	1,120,389
Vocational	324,894		6,704
Adult/Continuing	31,901		
Support Services:			
Pupils	1,966,067		5,000
Instructional Staff	1,391,929		
Board of Education	64,983		
Administration	2,106,170		
Fiscal	448,929		
Business	111,724		
Operation and Maintenance of Plant	1,979,800		
Pupil Transportation	1,058,612		
Central	494,736		
Non-Instructional Services	983,361	310,540	564,507
Extracurricular Activities	814,120	252,107	4,237
Total Governmental Activities	<u>\$25,503,129</u>	<u>\$1,002,528</u>	<u>\$1,918,753</u>

General Revenues:

Property Taxes Levied for General Purposes	12,998,266
Payment in Lieu of Taxes	449,909
Grants and Entitlements not Restricted to Specific Programs	8,621,980
Interest	47,465
Gifts and Donations	1,454,918
Miscellaneous	145,686
Total General Revenues	<u>23,718,224</u>

Change in Net Assets 1,136,376

Net Assets at Beginning of Year - Restated (Note 3) 18,638,371
Net Assets at End of Year \$19,774,747

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$9,482,707	\$239,178	\$9,721,885
Accounts Receivable	13,401		13,401
Accrued Interest Receivable	9,162		9,162
Interfund Receivable	107,033		107,033
Intergovernmental Receivable		461,122	461,122
Prepaid Items	49,653		49,653
Inventory Held for Resale		8,274	8,274
Materials and Supplies Inventory		2,400	2,400
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	1,446,759		1,446,759
Property Taxes Receivable	12,606,008		12,606,008
Payment in Lieu of Taxes Receivable	404,748		404,748
Total Assets	<u>\$24,119,471</u>	<u>\$710,974</u>	<u>\$24,830,445</u>
<u>Liabilities and Fund Balances:</u>			
<u>Liabilities</u>			
Accounts Payable	\$94,671	\$38,992	\$133,663
Accrued Wages and Benefits Payable	2,533,080	153,350	2,686,430
Interfund Payable		107,033	107,033
Intergovernmental Payable	680,101	80,232	760,333
Matured Compensated Absences Payable	118,546		118,546
Retainage Payable	20,000		20,000
Deferred Revenue	10,090,494	187,018	10,277,512
Total Liabilities	<u>13,536,892</u>	<u>566,625</u>	<u>14,103,517</u>
<u>Fund Balances:</u>			
Nonspendable	49,653	10,674	60,327
Restricted	1,495,049	228,556	1,723,605
Assigned	1,288,492		1,288,492
Unassigned (Deficit)	7,749,385	(94,881)	7,654,504
Total Fund Balances	<u>10,582,579</u>	<u>144,349</u>	<u>10,726,928</u>
Total Liabilities and Fund Balances	<u>\$24,119,471</u>	<u>\$710,974</u>	<u>\$24,830,445</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2011

Total Governmental Fund Balances		\$10,726,928
<p>Amounts reported for governmental activities on the statement of net assets are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,646,466
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Accounts Receivable	12,988	
Accrued Interest Receivable	9,162	
Intergovernmental Receivable	187,018	
Property Taxes Receivable	307,788	
		516,956
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated Absences Payable	(1,930,603)	
Separation Benefits Payable	(185,000)	
		(2,115,603)
Net Assets of Governmental Activities		\$19,774,747

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Other Governmental	Total Governmental Funds
<u>Revenues:</u>			
Property Taxes	\$13,037,156		\$13,037,156
Payment in Lieu of Taxes	449,909		449,909
Intergovernmental	8,487,617	\$ 2,017,233	10,504,850
Interest	38,303		38,303
Tuition and Fees	434,871		434,871
Extracurricular Activities	34,993	215,034	250,027
Charges for Services		310,540	310,540
Gifts and Donations	1,454,918	4,237	1,459,155
Miscellaneous	145,686	2,080	147,766
Total Revenues	<u>24,083,453</u>	<u>2,549,124</u>	<u>26,632,577</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	10,554,571	345,317	10,899,888
Special	1,932,223	663,961	2,596,184
Vocational	319,103		319,103
Adult/Continuing	26,422	5,479	31,901
Support Services:			
Pupils	1,708,614	210,132	1,918,746
Instructional Staff	1,295,800	81,425	1,377,225
Board of Education	64,983		64,983
Administration	2,053,095	1,222	2,054,317
Fiscal	435,029		435,029
Business	110,132		110,132
Operation and Maintenance of Plant	3,520,109	5,649	3,525,758
Pupil Transportation	976,709	8,947	985,656
Central	466,279	27,915	494,194
Non-Instructional Services	30,723	944,847	975,570
Extracurricular Activities	558,624	231,016	789,640
Capital Outlay	6,627		6,627
Total Expenditures	<u>24,059,043</u>	<u>2,525,910</u>	<u>26,584,953</u>
Excess of Revenues Over Expenditures	<u>24,410</u>	<u>23,214</u>	<u>47,624</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In		61,000	61,000
Transfers Out	(61,000)		(61,000)
Total Other Financing Sources (Uses)	<u>(61,000)</u>	<u>61,000</u>	
Changes in Fund Balances	(36,590)	84,214	47,624
Fund Balances at Beginning of Year - Restated (Note 3)	10,619,169	60,135	10,679,304
Fund Balances at End of Year	<u>\$10,582,579</u>	<u>\$144,349</u>	<u>\$10,726,928</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2011

Changes in Fund Balances - Total Governmental Funds \$47,624

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year:

Capital Outlay - Nondepreciable Capital Assets	1,559,666	
Capital Outlay - Depreciable Capital Assets	67,151	
Depreciation	<u>(393,256)</u>	
		1,233,561

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Property Taxes	(38,890)	
Intergovernmental	31,646	
Interest	9,162	
Tuition and Fees	<u>5,010</u>	
		6,928

Some expenses reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences Payable	(115,217)	
Separation Benefits Payable	<u>(36,520)</u>	
		<u>(151,737)</u>

Change in Net Assets of Governmental Activities \$1,136,376

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Over (Under)
Revenues:				
Property Taxes	\$12,404,176	\$12,245,050	\$12,150,968	(\$94,082)
Payment in Lieu of Taxes	1,077,400	652,400	316,861	(335,539)
Intergovernmental	13,840,339	13,840,339	8,487,617	(5,352,722)
Interest	40,000	40,000	49,631	9,631
Tuition and Fees	417,000	415,050	437,460	22,410
Extracurricular Activities	14,000	25,150	34,993	9,843
Gifts and Donations	1,210,900	1,416,400	1,454,918	38,518
Miscellaneous	78,400	88,247	55,631	(32,616)
Total Revenues	29,082,215	28,722,636	22,988,079	(5,734,557)
Expenditures:				
Current:				
Instruction:				
Regular	10,922,764	11,042,583	10,518,255	524,328
Special	2,050,680	2,062,826	1,915,941	146,885
Vocational	324,036	323,681	316,409	7,272
Adult/Continuing	19,500	26,910	26,422	488
Support Services:				
Pupils	1,868,664	1,812,653	1,755,036	57,617
Instructional Staff	1,201,883	1,371,925	1,330,287	41,638
Board of Education	65,335	68,135	64,703	3,432
Administration	2,115,650	2,128,396	2,089,007	39,389
Fiscal	436,908	449,908	439,973	9,935
Business	125,804	124,204	110,583	13,621
Operation and Maintenance of Plant	3,822,550	3,839,564	5,158,962	(1,319,398)
Pupil Transportation	1,057,285	1,152,135	1,034,140	117,995
Central	388,730	502,830	487,680	15,150
Non-Instructional Services	81,147	81,147	30,224	50,923
Extracurricular Activities	631,349	622,599	573,300	49,299
Capital Outlay	15,000	15,000	6,627	8,373
Total Expenditures	25,127,285	25,624,496	25,857,549	(233,053)
Excess of Revenues Over (Under) Expenditures	3,954,930	3,098,140	(2,869,470)	(5,967,610)
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	40,000	40,000	92,544	52,544
Refund of Prior Year Receipts	(400)	(24,400)	(24,531)	(131)
Advances In	40,000	445,000	62,718	(382,282)
Advances Out	(20,000)	(70,000)	(107,033)	(107,033)
Transfers Out	(35,000)	(70,000)	(61,000)	9,000
Total Other Financing Sources (Uses)	24,600	390,600	(37,302)	(427,902)
Changes in Fund Balance	3,979,530	3,488,740	(2,906,772)	(6,395,512)
Fund Balance at Beginning of Year	11,339,162	11,339,162	11,339,162	
Prior Year Encumbrances Appropriated	1,145,525	1,145,525	1,145,525	
Fund Balance at End of Year	\$16,464,217	\$15,973,427	\$9,577,915	(\$6,395,512)

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Wood County
 Statement of Fiduciary Assets and Liabilities
 Fiduciary Funds
 June 30, 2011

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$49,909	\$64,727
Investments		257
Total Assets	49,909	\$64,984
<u>Liabilities:</u>		
Due to Students		\$64,984
<u>Net Assets:</u>		
Held in Trust for Scholarships	\$49,909	

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Wood County
Statement of Change in Fiduciary Net Assets
Private Purpose Trust Fund
June 30, 2011

	<u>Private Purpose Trust</u>
<u>Additions:</u>	
Gifts and Donations	\$3,915
<u>Deductions:</u>	
Non-Instructional Services	<u>8,690</u>
Change in Net Assets	(4,775)
Net Assets at Beginning of Year	<u>54,684</u>
Net Assets at End of Year	<u><u>\$49,909</u></u>

See Accompanying Notes to the Basic Financial Statements

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Note 1 - Description of the School District and Reporting Entity

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 and federal guidelines.

The School District is the 287th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by one hundred one classified employees, one hundred forty-one certified teaching personnel, and thirteen administrative employees who provide services to one thousand nine hundred eighteen students and other community members. The School District currently operates five instructional buildings.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For 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. There are no component units of the Rossford Exempted Village School District.

The School District's reporting entity includes the following:

Non-Public School - Within the School District's boundaries, All Saints is operated as a private school. Current State legislation provides funding to the parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity is reflected in a special revenue fund of the School District.

The School District participates in three jointly governed organizations, three insurance pools, and is associated with a related organization. These organizations are the Northwest Ohio Computer Association, Penta Career Center, Northwestern Ohio Educational Research Council, Inc., Ohio School Plan, Wood County Schools Benefit Plan Association, Ohio School Boards Association Worker's Compensation Group Rating Plan, and the Rossford Public Library. These organizations are presented in Notes 20, 21, and 22 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

Note 2 - Summary of Significant Accounting Policies (continued)

A. Basis of Presentation

The School District's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the School District has no business-type activities.

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

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are reported in two categories, governmental and fiduciary.

Governmental Funds

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange Transactions

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control selected by the Board is at the function level for the General Fund and the fund level for all other funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

Note 2 - Summary of Significant Accounting Policies (continued)

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

F. Cash and Investments

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

During fiscal year 2011, investments consisted of nonnegotiable certificates of deposit, federal agency securities, common stock, and STAR Ohio. Nonnegotiable certificates of deposit are reported at cost. Investments are reported at fair value, which is based on quoted market price or current share price. 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, 2011.

The School District allocates interest earnings according to State statutes. Interest revenue credited to the General Fund during fiscal year 2011 was \$38,303.

Investments of the School District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School 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.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

Inventory is presented at cost on a first-in, first-out basis and is expended/expensed when used. Inventory consists of expendable supplies held for consumption and donated and purchased food.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the General Fund represent amounts required by State statute to be set aside for the acquisition and construction of capital improvements.

J. Capital Assets

All of the School District's capital assets are general capital assets generally resulting from expenditures in governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

All capital assets are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Description	Useful Lives
Land Improvements	15-50 years
Buildings and Building Improvements	10 - 110 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 20 years

K. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from interfund loans are classified as "Interfund Receivables/Payables". Interfund balances within governmental activities are eliminated on the statement of net assets.

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the 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. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

M. Accrued Liabilities and Long-Term Obligations

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for food service operations and federal and state grants. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. Fund Balance Reserves

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

Note 2 - Summary of Significant Accounting Policies (continued)

P. Interfund Transactions

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

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

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

Q. 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.

Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets

A. Change in Accounting Principles

For fiscal year 2011, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and/or unassigned.

B. Restatement of Fund Balance/Net Assets

The restatement due to the implementation of GASB Statement No. 54 had the following effect on fund balance of the major and nonmajor funds of the School District as they were previously reported.

	General	Other Governmental	Total Governmental Funds
Fund Balance at June 30, 2010	\$10,574,101	\$95,475	\$10,669,576
Change in Fund Structure	45,068	(35,340)	9,728
Restated Fund Balance at June 30, 2010	\$10,619,169	\$60,135	\$10,679,304

In addition to the implementation of GASB Statement No. 54, the School District did not report payment in lieu of taxes correctly in the prior fiscal years. The restatement had the following effect on net assets.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 3 - Change in Accounting Principles and Restatement of Fund Balance/Net Assets (continued)

	Total Governmental Activities
Net Assets at June 30, 2010	\$18,922,993
Change in Fund Structure	9,728
Payment in Lieu of Taxes Receivable	(294,350)
Adjusted Net Assets at June 30, 2010	\$18,638,371

Note 4 - Accountability and Compliance

A. Accountability

At June 30, 2011, the Food Service, Fiscal Stabilization, and Early Childhood Preschool special revenue funds had deficit fund balances, in the amount of \$67,827, \$13,302, and \$3,078, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

At June 30, 2011, the Title VI-B, Title II-D, Title I, Early Childhood Preschool, and Title II-A special revenue funds had final appropriations in excess of estimated resources plus available balances, in the amount of \$273,115, \$83, \$138,362, \$4,549, and \$38,690, respectively. The Treasurer will monitor appropriations to ensure they are within estimated resources.

The General Fund operation and maintenance of plant account and refunds of prior year receipts had expenditures in excess of appropriations for the fiscal year ended June 30, 2011, in the amount of \$1,319,398 and \$131, respectively. The Education Jobs special revenue fund had expenditures in excess of appropriations for the fiscal year ended June 30, 2011, in the amount of \$46,153. The Treasurer will monitor expenditures to ensure they are within amounts appropriated.

Note 5 - 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 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 5 - Budgetary Basis of Accounting (continued)

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance	
GAAP Basis	(\$36,590)
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2010, Received in Cash FY 2011	1,941,060
Accrued FY 2011, Not Yet Received in Cash	(2,942,825)
Expenditure Accruals:	
Accrued FY 2010, Paid in Cash FY 2011	(3,919,083)
Accrued FY 2011, Not Yet Paid in Cash	3,446,398
Cash Adjustments:	
Unrecorded Activity FY 2010	4
Unrecorded Activity FY 2011	(1,069)
Prepaid Items	130
Advances In	62,718
Advances Out	(107,033)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(1,350,482)
Budget Basis	(\$2,906,772)

Note 6 - Deposits and Investments

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

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

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

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

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 6 - Deposits and Investments (continued)

Interim monies held by the School District may 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;
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);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers' acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. 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.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$1,528,602 of the School District's bank balance of \$3,468,264 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit 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 School 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 105 percent of the deposits being secured.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 6 - Deposits and Investments (continued)

Investments

As of June 30, 2011, the School District had the following investments:

	Fair Value	Maturity
Federal Home Loan Bank Notes	\$2,000,000	4/20/16
STAR Ohio	6,086,164	Average 58 days
Common Stock	257	
Total Investments	\$8,086,421	

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of purchase unless they are matched to a specific obligation or debt of the School District.

The Federal Home Loan Bank Notes carry a rating of Aaa by Moody's. STAR Ohio carries a rating of AAA by Standards and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires STAR Ohio must maintain the highest rating provided by at least one nationally recognized standard rating service.

At June 30, 2011, the School District had \$257, held within a student-managed activity fund (Stock Club), invested by the students in common stock.

The School District places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each investment to the School District's total portfolio.

	Fair Value	Percentage of Portfolio
Federal Home Loan Bank	\$2,000,000	24.73%

Note 7 - Receivables

Receivables at June 30, 2011, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 7 – Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
Other Governmental Funds	
Education Jobs	\$18,925
Title VI-B	259,032
Title II-D	802
Title I	102,464
Early Childhood Preschool	9,643
Title II-A	70,256
Total Governmental Activities	\$461,122

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real property, public utility property, and tangible personal (used in business) property located in the School District. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, 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 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, 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 2011 (other than public utility property) represent the collection of calendar year 2011 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. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 8 - Property Taxes (continued)

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, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2011, was \$2,676,314 in the General Fund. The amount available as an advance at June 30, 2010, was \$1,790,126 in the General Fund.

Collectible delinquent property taxes have been recorded as a receivable and revenue on a full accrual basis. On a modified accrual basis, the revenue has been deferred.

The assessed values upon which fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$201,958,430	54.08%	\$201,484,950	54.65%
Industrial/Commercial	164,515,780	44.06	159,845,640	43.35
Public Utility	6,961,510	1.86	7,366,080	2.00
Total Assessed Value	<u>\$373,435,720</u>	<u>100.00%</u>	<u>\$368,696,670</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Note 9 - Payment in Lieu of Taxes

According to State law, Wood County, Perrysburg Township, the City of Rossford, and the City of Northwood have entered into agreements with a number of property owners under which these governments have granted property tax exemptions to those property owners. The property owners have agreed to make payments to these governments which reflect all or a portion of the property taxes which the property owners would have paid if the taxes had not been exempted. The agreements provide for a portion of these payments to be paid to the School District. The property owners' contractually promise to make these payments in lieu of taxes until the agreements expire.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,202,221			\$1,202,221
Construction in Progress	3,416,702	\$1,559,666		4,976,368
Total Nondepreciable Capital Assets	4,618,923	1,559,666		6,178,589
Depreciable Capital Assets				
Land Improvements	1,486,571			1,486,571
Buildings and Building Improvements	9,543,098			9,543,098
Furniture, Fixtures, and Equipment	1,620,374	67,151	\$(17,914)	1,669,611
Vehicles	1,550,577			1,550,577
Total Depreciable Capital Assets	14,200,620	67,151	(17,914)	14,249,857
Less Accumulated Depreciation				
Land Improvements	(1,186,084)	(26,061)		(1,212,145)
Buildings and Building Improvements	(6,165,176)	(195,292)		(6,360,468)
Furniture, Fixtures, and Equipment	(1,313,549)	(80,090)	17,914	(1,375,725)
Vehicles	(741,829)	(91,813)		(833,642)
Total Accumulated Depreciation	(9,406,638)	(393,256)	17,914	(9,781,980)
Depreciable Capital Assets, Net	4,793,982	(326,105)		4,467,877
Governmental Activities Capital Assets, Net	\$9,412,905	\$1,233,561		\$10,646,466

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 10 - Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$111,312
Special	28,690
Vocational	2,986
Support Services:	
Pupils	5,289
Instructional Staff	8,262
Administration	42,999
Fiscal	2,635
Operation and Maintenance of Plant	36,468
Pupil Transportation	90,168
Central	1,197
Non-Instructional Services	23,220
Extracurricular Activities	40,030
Total Depreciation Expense	\$393,256

Note 11 - Interfund Assets/Liabilities

At June 30, 2011, the General Fund had an interfund receivable from other governmental funds, in the amount of \$107,033, for short-term loans made to those funds.

Note 12 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	\$61,125,659
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total per Year	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

For fiscal year 2011, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

Note 12 - Risk Management (continued)

The School District participates in the Wood County Schools Benefit Plan Association (Association), a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The School District pays monthly premiums to the Association for employee medical, dental, vision, and life insurance benefits. The Association is responsible for the management and operations of the program and the payment of all claims. Upon withdrawal from the Association, a participant is responsible for the payment of all liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

For fiscal year 2011, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

Note 13 - Defined Benefit Pension Plans

A. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. 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 can be obtained by writing to the State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service or on 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 DCP 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 fifty and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The CP offers features of both the DBP and the DCP. In the CP, 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 DBP. The DBP portion of the CP payment is payable to a member on or after age sixty; the DCP portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DBP or CP 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 DCP who become disabled are entitled only to their account balance. If a member of the DCP dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Note 13 - Defined Benefit Pension Plans (continued)

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the STRS Ohio Board upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contribution to STRS Ohio for the DBP and for the defined benefit portion of the CP were \$1,417,391 and \$24,010 for the fiscal year ended June 30, 2011, \$1,358,816 and \$23,359 for the fiscal year ended June 30, 2010, and \$1,351,165 for the fiscal year ended June 30, 2009. For fiscal year 2011, 84 percent has been contributed for both the DBP and CP, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The contribution to STRS Ohio for the DCP for fiscal year 2011 was \$7,786 made by the School District and \$5,561 made by the plan members. In addition, member contributions of \$17,150 were made for fiscal year 2011 for the defined contribution portion of the CP.

B. School Employees Retirement System

Plan Description - The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a stand-alone financial report that can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirement of plan members and employers is 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. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the system's funds (pension trust fund, death benefit fund, Medicare B fund, and health care fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate was allocated to the Medicare B and health care funds. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 was \$380,603, \$417,311, and \$282,824, respectively. For fiscal year 2011, 37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2011, two of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 14 - Postemployment Benefits

A. State Teachers Retirement System

Plan Description - The School District participates in a cost-sharing multiple-employer defined benefit Health Care 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. Ohio law authorizes STRS Ohio to offer the Plan. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare Part B premiums. The Plan is included in STRS Ohio's financial report which can be obtained by calling (888) 227-7877 or by visiting the STRS Ohio Web site at www.strsoh.org.

Funding Policy - Chapter 3307 of the Ohio Revised Code 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 Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to postemployment health care. The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$111,476, \$106,846, and \$104,841, respectively. For fiscal year 2011, 84 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

B. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for classified 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 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 fiscal year 2011, this amount was \$35,800. For fiscal year 2011, the School District paid \$50,353 in surcharge.

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

The School District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$46,085, \$15,021, and \$129,433, respectively. For fiscal year 2011, 37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 14 - Postemployment Benefits (continued)

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2011, this actuarially required allocation was .76 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 was \$24,493, \$24,817, and \$23,335, respectively. For fiscal year 2011, 37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 15 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days, administrative employees earn thirty days, and the superintendent and treasurer earn thirty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to eligible employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred eighty-eight days for certified employees and two hundred eighty-four days for classified employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave for all employees, except the superintendent and treasurer who are paid for one-third of accrued but unused sick leave.

B. Health Care Benefits

The School District provides medical, dental, vision, and life insurance to all employees through the Wood County Schools Benefit Plan Association. Depending upon the plan chosen, the employees share the cost of monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

C. Separation Benefits

The School District provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System that has five years of service with the School District will be paid a \$15,000 severance bonus plus and an additional \$5,000 for each of the four years following retirement if notification of pending retirement is submitted in writing to the Superintendent no later than April 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2010, the School District had a liability for separation benefits of \$148,480. During fiscal year 2011, the School District had additional separation benefits of \$91,520 and paid \$55,000 in separation benefits. At June 30, 2011, the School District had a liability for separation benefits of \$185,000.

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 16 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2011 were as follows:

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Compensated Absences Payable	\$1,815,386	\$149,996	\$34,779	\$1,930,603	\$201,480

Compensated absences will be paid from the fund from which the employees' salaries are paid. The School District's overall debt margin was \$32,625,081 with an unvoted debt margin of \$361,547 at June 30, 2011.

Note 17 - Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Other Governmental	Total Governmental Funds
Nonspendable for:			
Inventory Held for Resale		\$8,274	\$8,274
Materials and Supplies Inventory		2,400	2,400
Prepaid Items	\$49,653		49,653
Total Nonspendable	49,653	10,674	60,327
Restricted for:			
Athletics and Music		65,282	65,282
Building Construction		8,311	8,311
Capital Improvements	1,493,919		1,493,919
Debt Retirement		85,887	85,887
Education Management Information Systems		15,839	15,839
Facilities Maintenance		11,208	11,208
Non-Instructional Services	1,130		1,130
Parochial School		14,889	14,889
Regular Instruction		2,615	2,615

Rossford Exempted Village School District
Wood County
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 17 - Fund Balance (continued)

Fund Balance	General	Other Governmental	Total Governmental Funds
Special Instruction		24,525	24,525
Total Restricted	1,495,049	228,556	1,723,605
Assigned for:			
Educational Activities	36,665		36,665
Facilities Maintenance	130		130
Unpaid Obligations	1,251,697		1,251,697
Total Assigned	1,288,492		1,288,492
Unassigned (Deficit):	7,749,385	(94,881)	7,654,504
Total Fund Balance	<u>\$10,582,579</u>	<u>\$144,349</u>	<u>\$10,726,928</u>

Note 18 - Set Asides

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 the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. These amounts must be carried forward and used for the same purposes in future years.

The following cash basis information identifies the changes in the fund balance reserves for textbooks and capital improvements during fiscal year 2011.

	Textbooks	Capital Improvements
Balance June 30, 2010	(\$132,493)	\$1,214,621
Current Year Set Aside Requirement	260,588	260,588
Qualifying Expenditures	(335,368)	(28,450)
Reserve Balance June 30, 2011	<u>(\$207,273)</u>	<u>\$1,446,759</u>

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years.

Note 19 - Interfund Transfers

During fiscal year 2011, the General Fund made transfers to other government funds, in the amount of \$61,000, to subsidize operations of other funds.

Note 20 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood 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 educational entities.

The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2011, the School District paid \$168,000 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

B. Penta Career Center

The Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of eleven members from the participating School Districts' elected Boards. Board members are appointed for a term of two years to serve the sixteen participating school districts. Six members are appointed during the even number years, one each from the Lucas, Ottawa, and Wood County Educational Service Centers, one each from the Bowling Green and Maumee City School Districts, and one from the Rossford Exempted Village School District. Five members are appointed during the odd number years, one each from the Fulton, Lucas, Sandusky, and Wood County Educational Service Centers and one from the Perrysburg Exempted Village School District. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

C. Northwestern Ohio Educational Research Council, Inc.

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

Note 21 - Insurance Pools

A. Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from the Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

B. Wood County Schools Benefit Plan Association

The Wood County Schools Benefit Plan Association (Association) is a public entity shared risk pool consisting of six local school districts, two exempted village school districts, a city school district, a joint vocational school, and an educational service center. The Association is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, vision, and life insurance to the employees of the participating members. Each participating member's superintendent is appointed to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Association.

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Medical Mutual of Ohio, P.O. Box 943, Toledo, Ohio 43656.

C. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as 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 OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participating members pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 22 - Related Organization

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 serves as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Rossford Public Library, 720 Dixie Highway Road, Rossford, Ohio 43460.

Note 23 - Contingencies

A. 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

B. Litigation

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

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**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

FEDERAL GRANTOR	Federal	Federal	Federal
<i>Pass Through Grantor</i>	CFDA	Receipts	Disbursements
Program Title	Number		
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	\$ 53,234	\$ 53,234
National School Lunch Program			
Cash Assistance	10.555	303,758	303,758
Non-Cash Assistance (Commodities)		37,955	37,955
		<u>341,713</u>	<u>341,713</u>
Special Milk Program for Children	10.556	1,726	1,726
Total U.S. Department of Agriculture		<u>396,673</u>	<u>396,673</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
<i>Passed through the State Library of Ohio</i>			
Library Services and Technology Act Grant	45.310	571	679
U. S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Education</i>			
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027	87,350	68,861
	84.027	341,436	373,828
		<u>428,786</u>	<u>442,689</u>
Special Education Grants to States - ARRA	84.391	77,754	56,377
	84.391	64,619	134,859
		<u>142,373</u>	<u>191,236</u>
Special Education - Preschool Grants	84.173	4,337	2,320
	84.173	10,132	10,573
		<u>14,469</u>	<u>12,893</u>
Special Education - Preschool Grants - ARRA	84.392	4,677	3,561
	84.392	392	2,769
		<u>5,069</u>	<u>6,330</u>
Total Special Education Cluster		<u>590,697</u>	<u>653,148</u>
Improving Teacher Quality State Grants	84.367	15,448	12,249
	84.367	44,615	45,203
		<u>60,063</u>	<u>57,452</u>
Title I Cluster:			
Title I Grants to Local Educational Agencies	84.010	133,690	118,068
	84.010	181,822	174,804
		<u>315,512</u>	<u>292,872</u>
Title I Grants to Local Educational Agencies - ARRA	84.389		4,057
	84.389	104,974	106,872
		<u>104,974</u>	<u>110,929</u>
Total Title I Cluster		<u>420,486</u>	<u>403,801</u>
Education Technology State Grants	84.318	898	
	84.318	91	91
		<u>989</u>	<u>91</u>
State Fiscal Stabilization Fund - ARRA	84.394	144,167	144,167
Education Jobs Fund	84.410	73,291	73,062
Safe and Drug Free Schools and Communities_State Grants	84.186	450	450
Total U.S. Department of Education		<u>1,290,143</u>	<u>1,332,171</u>
TOTAL - FEDERAL AWARDS RECEIPTS AND EXPENDITURES		<u>\$ 1,687,387</u>	<u>\$ 1,729,523</u>

The accompanying notes are an integral part of this schedule.

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C - FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the program that benefitted from the use of those donated food commodities.

NOTE D - MATCHING REQUIREMENTS

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



Dave Yost • Auditor of State

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

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 9, 2012, in which we noted the District implemented Government Accounting Standards Board Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2011-001 and 2011-002.

We also noted certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated February 9, 2012.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the District's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management, the finance committee, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

February 9, 2012



Dave Yost • Auditor of State

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

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460

To the Board of Education:

Compliance

We have audited the compliance of Rossford Exempted Village School District, Wood County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

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

In our opinion, the Rossford Exempted Village School District, Wood County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, described in the accompanying schedule of findings as item 2011-003. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a federal program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We noted matters involving federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated February 9, 2012.

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

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



Dave Yost
Auditor of State

February 9, 2012

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I Cluster CFDA #84.010, 84.389 Child Nutrition Cluster CFDA #10.553, 10.555, 10.556 Special Education Cluster CFDA # 84.027, 84.391,84.173,84,392
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2011-001

Noncompliance Citation

Ohio Revised Code, § 5705.39, states appropriations from each fund shall not exceed the estimated resources available for expenditure as certified by the budget commission. The District has appropriated funds in excess of estimated resources for the following funds:

Fund	Estimated Resources	Appropriations	Excess
Title VI-B	\$736,698	\$1,009,813	\$273,115
Title II-D	1,708	1,791	83
Title I	401,460	539,822	138,362
Early Childhood Preschool	30,519	35,068	4,549
Title II-A	117,041	155,731	38,690

The failure to limit appropriations by estimated resources could lead to overspending and cause a deficit in the fund balance. When modifying appropriations for each fund, the District should review estimated resources to ensure that the revenue collected will either greater than or less than the amount included on the official certificate so that total appropriations do not exceed the available resources and obtain an amended certificate of estimated resources, if necessary.

Officials' Response:

The Treasurer will only appropriate funds up to the amount of funds received and not the estimated project distribution amount.

FINDING NUMBER 2011-002

Noncompliance Citation

Ohio Revised Code, § 5705.41(B), prohibits a subdivision from making an expenditure unless it has been properly appropriated. At June 30, 2011 the following fund/account expenditures exceeded appropriations:

Fund:	Appropriations	Expenditures	Excess
General			
Operation and Maintenance of Plant	\$3,839,564	\$5,158,962	\$1,319,398
Refund of Prior Year Receipts	24,400	24,531	131
Education Jobs Fund	26,910	73,063	46,153

Management was advised the failure to have adequate appropriations in place at the time of the expenditures are being made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Treasurer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Treasurer may request the Board to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

**FINDING NUMBER 2011-002
 (Continued)**

Officials' Response:

The Treasurer will review all budgetary expenditures to make certain that there are proper appropriations to cover the amount of the expenditures.

FINDINGS FOR FEDERAL AWARDS

Review of Expenditures by Title I Coordinator

Finding Number	2011-003
CFDA Title and Number	Title I Grants to Local Educational Agencies – 84.010 Title I Grants to Local Educational Agencies - ARRA – 84.389
Federal Award Number / Year	2011
Federal Agency	U. S. Department of Education
Pass-Through Agency	Ohio Department of Education

Significant Deficiency

It is management's responsibility to design and implement internal control policies and procedures to reasonably ensure specific objectives will be achieved. A sound internal control structure requires procedures to be thoroughly documented to provide management with reasonable assurance they are being performed timely and consistently. To be effective, the performance of an internal control must be evidenced in some manner to document the control is in place and functioning as management intended.

The Title I Coordinator is responsible overseeing and ensuring expenditures for Title I are for allowable expenditures. 89% of the Title I nonpayroll expenditures tested had no evidence the Title I Coordinator reviewed the expenditures to ensure they were for allowable expenditures. There was a compensating control, purchase orders were signed off by the Superintendent, Treasurer and reviewed by Account Payable, however; the Title I Coordinator should document her review. She is more knowledgeable about the program.

Without proper documentation of internal control activities performed by both employees and supervisors, there is an increased risk that procedures may not be working as management intended, applied consistently, or meeting management's objectives. Furthermore, there is an increased risk expenditures for the program are for items that are not allowable under the Title I program.

We recommend the Title I Coordinator review, and document her review, of each Title I expenditure.

Officials' Response:

The Title I Coordinator now procedurally must review and sign each purchase order before it is processed.

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**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2011**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2011-003	The Title I Coordinator now procedurally must review and sign each purchase order before it is processed.	Already Implemented	James Rossler, Jr. Treasurer

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ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-1	Material weakness due to GAAP audit adjustment to correct Intergovernmental Receivable	Yes	

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460

To the Board of Education:

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

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

We noted the Board amended its anti-harassment policy at its meeting on December 20, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 9, 2012

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Dave Yost • Auditor of State

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 8, 2012