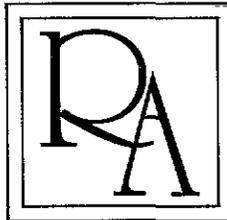


**ROSSFORD EXEMPTED VILLAGE  
SCHOOL DISTRICT**

**GENERAL-PURPOSE FINANCIAL STATEMENTS**

**TOGETHER WITH AUDITOR'S REPORT AND  
AUDITOR'S REPORTS ON INTERNAL CONTROL,  
COMPLIANCE, AND OTHER MATTERS  
JULY 1, 1998 TO JUNE 30, 1999  
FISCAL YEAR AUDITED UNDER GAGAS: 1999**



Reichert & Associates, CPA's

206 West Hardin Street  
Findlay, Ohio 45840  
419-422-6131

**ROSSFORD EXEMPTED VILLAGE  
SCHOOL DISTRICT**

**GENERAL-PURPOSE FINANCIAL STATEMENTS**

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ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

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**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL  
AS OF JUNE 30, 1999**

**ELECTED OFFICIALS**

<b>Board of Education</b>	<b>Title</b>	<b>Term of Office</b>	<b>Surety</b>	<b>Amount</b>
William Gladieux	President	01/01/96-12/31/99	(A)	\$20,000
Joseph Minarcin, Jr.	Vice President	01/01/98-12/31/01	None	—
Beverly Zuchowski	Member	01/01/96-12/31/99	None	—
Irving Warchol, Jr.	Member	01/01/96-08/09/99	None	—
Daniel Burns	Member	08/10/98-12/31/99	None	—
Linda Polzin	Member	01/01/98-12/31/01	None	—

**ADMINISTRATIVE PERSONNEL**

<b>Name</b>	<b>Title</b>	<b>Contract Period</b>	<b>Surety</b>	<b>Amount</b>
Bill Spargur	Superintendent	Retired 6/30/98		
JoAnne Johnson	Acting Superintendent	07/1/98 to 11/21/98		
Douglas Arnold	Superintendent	11/22/98 to 07/31/01	(A)	\$20,000
James Rossler, Jr.	Treasurer	01/01/95 to Organization Meeting 2000	(A)	\$25,000

**STATUTORY LEGAL COUNSEL**

Alan Mayberry  
County Prosecutor  
One Courthouse Square  
Bowling Green, Ohio 43402

(A) Ohio Casualty Insurance Company

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

INDEX OF FUNDS

**GOVERNMENTAL FUND TYPES:**

**General Fund Type:**

General Fund

**Special Revenue Fund Types:**

Public School Support Fund  
Other Local Grants  
Venture Capital  
District Managed Student Activity Fund  
Auxiliary Services Fund  
Educational Television Grant Fund  
Community Education  
Teacher/Professional Development  
Management Information Systems Fund  
Data Communications Support Subsidy Fund  
Disadvantage Pupil Impact Aid Fund  
School Net Professional Development Fund  
Textbook Subsidy Fund  
Northwest Ohio Professional Grant Fund  
Title I Fund  
Title II Fund  
Goals 2000 NSI Grant Fund

**Debt Service Fund Type:**

Bond Retirement Fund

**Capital Projects Fund Type:**

Building Fund  
School Net Fund

**PROPRIETARY FUND TYPE:**

**Enterprise Fund Types:**

Food Services Fund  
Uniform School Supplies Fund

**Internal Service Fund Type:**

Internal Service Rotary  
Computer Network - Class "A" Sites Fund

**FIDUCIARY FUND TYPES:**

**Trust and Agency Fund Types:**

**Expendable Trust Fund**

Scholarship Fund

**Agency Fund**

Student Managed Activity Fund

**ACCOUNT GROUPS:**

General Fixed Asset Account Group  
General Long-Term Obligations Account Group



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215

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800-282-0370

Facsimile 614-728-7398

Board of Education  
Rossford Exempted Village School District  
Wood County  
229 Eagle Point Road  
Rossford, Ohio 43460-1197

We have reviewed the Independent Auditor's Report of the Rossford Exempted Village School District, Wood County, prepared by Reichert & Associates, CPA's, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO  
Auditor of State

December 28, 1999

# **REICHERT & ASSOCIATES, CPA'S**

206 West Hardin Street  
Findlay, Ohio 45840  
419-422-6131  
FAX 419-422-1372

## **REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Education  
Rossford Exempted Village School District  
Wood County  
229 Eagle Point Road  
Rossford, Ohio 43460-1197

We have audited the accompanying general purpose financial statements of the Rossford Exempted Village School District, Wood County, (the School District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the School District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 1999, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

**REICHERT AND ASSOCIATES, CPA'S**  
Certified Public Accountants

December 15, 1999

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
FOR THE YEAR ENDED JUNE 30, 1988

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Asset Account Group	General Long-Term Debt Account Group		
<b>Assets and Other Debits:</b>											
Equity in Pooled Cash and Cash Equivalents	\$499,207	\$735,748	\$148,090	\$780,692	\$25,237	\$3,949	\$85,159	\$0	\$0	\$2,278,082	
Receivables:											
Taxes	11,065,815	0	293,306	589,045	0	0	0	0	0	11,968,166	
Accounts	17,007	2,450	0	0	75	0	0	0	0	19,532	
Intergovernmental	0	119,603	0	0	16,622	0	0	0	0	136,225	
Interfund Receivable	131,400	0	0	0	0	0	0	0	0	131,400	
Materials and Supplies Inventory	0	0	0	0	9,673	0	0	0	0	9,673	
Prepaid Items	20,399	0	0	0	0	0	0	0	0	20,399	
<b>Restricted Assets:</b>											
Equity in Pooled Cash and Cash Equivalents	188,452	0	0	0	0	0	0	0	0	188,452	
Fixed Assets	0	0	0	0	311,964	0	0	12,703,671	0	13,015,625	
Accumulated Depreciation	0	0	0	0	(253,094)	0	0	0	0	(253,094)	
<b>Other Debits:</b>											
Amount in Debt Service Fund for Retirement of	0	0	0	0	0	0	0	0	157,797	157,797	
Provided from General Government Resources	0	0	0	0	0	0	0	0	3,067,990	3,067,990	
<b>Total Assets and Other Debits</b>	<b>\$11,942,280</b>	<b>\$857,801</b>	<b>\$441,396</b>	<b>\$1,369,737</b>	<b>\$110,467</b>	<b>\$3,949</b>	<b>\$85,159</b>	<b>\$12,703,671</b>	<b>\$3,225,777</b>	<b>\$30,740,237</b>	
<b>Liabilities:</b>											
Accounts Payable	\$68,159	\$20,208	\$0	\$14,087	\$0	\$193	\$434	\$0	\$0	\$103,089	
Accrued Wages and Benefits	1,356,258	40,400	0	0	27,974	0	0	0	0	1,424,632	
Compensated Absences Payable	147,968	0	0	0	4,476	0	0	0	1,120,181	1,272,325	
Interfund Payable	0	112,400	0	0	19,000	0	0	0	0	131,400	
Intergovernmental Payable	192,226	2,643	0	0	16,448	0	0	0	115,596	326,913	
Deferred Revenue	10,634,442	0	283,599	564,778	4,300	0	0	0	0	11,487,119	
Due to Students	0	0	0	0	0	0	48,088	0	0	48,088	
General Obligation Bonds Payable	0	0	0	0	0	0	0	1,990,000	0	1,990,000	
<b>Total Liabilities</b>	<b>12,398,753</b>	<b>175,649</b>	<b>283,599</b>	<b>578,875</b>	<b>72,199</b>	<b>193</b>	<b>48,522</b>	<b>0</b>	<b>3,225,777</b>	<b>16,783,566</b>	
<b>Fund Equity and Other Credits:</b>											
Investment in General Fixed Assets	0	0	0	0	0	0	0	12,703,671	0	12,703,671	
Retained Earnings:											
Unreserved	0	0	0	0	38,269	3,756	0	0	0	42,025	
Reserved:											
Reserved for Encumbrances	129,794	42,074	0	1,262	0	0	0	0	0	173,130	
Reserved for Prepaid Items	20,399	0	0	0	0	0	0	0	0	20,399	
Reserved for Debt Service Principal	0	0	148,090	0	0	0	0	0	0	148,090	
Reserved for Advances	131,400	0	0	0	0	0	0	0	0	131,400	
Reserved for Property Taxes	451,373	0	9,707	24,267	0	0	0	0	0	485,347	
Reserved for Budget Stabilization	188,452	0	0	0	0	0	0	0	0	188,452	
Unreserved:											
Unreserved, Undesignated	(1,377,891)	640,078	0	765,333	0	0	36,637	0	0	64,157	
<b>Total Fund Equity and Other Credits</b>	<b>(456,473)</b>	<b>682,152</b>	<b>157,797</b>	<b>790,952</b>	<b>38,269</b>	<b>3,756</b>	<b>36,637</b>	<b>12,703,671</b>	<b>0</b>	<b>13,956,671</b>	
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$11,942,280</b>	<b>\$857,801</b>	<b>\$441,396</b>	<b>\$1,369,737</b>	<b>\$110,467</b>	<b>\$3,949</b>	<b>\$85,159</b>	<b>\$12,703,671</b>	<b>\$3,225,777</b>	<b>\$30,740,237</b>	

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 1999

	Governmental Fund Types			Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Expendable Trust
<b>Revenues:</b>						
Intergovernmental	\$2,705,461	\$515,203	\$21,022	\$21,222	\$0	\$3,262,908
Interest	153,759	0	0	0	0	153,759
Tuition and Fees	37,206	0	0	0	0	37,206
Rent	3,007	0	0	0	0	3,007
Extracurricular Activities	0	108,658	0	0	0	108,658
Gifts and Donations	0	9,321	0	0	31,274	40,595
Property & Other Local Taxes	10,823,527	0	268,544	238,702	0	11,328,773
Miscellaneous	5,835	5,000	0	0	0	10,835
<b>Total Revenues</b>	<b>13,728,795</b>	<b>638,182</b>	<b>287,566</b>	<b>259,924</b>	<b>31,274</b>	<b>14,945,741</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	6,644,784	279,131	0	12,582	1,500	6,937,997
Special	573,575	200,391	0	0	500	774,466
Vocational	141,808	0	0	0	0	141,808
Adult/Continuing	21,665	5,000	0	0	0	26,665
<b>Support Services:</b>						
Pupils	1,030,377	0	0	0	0	1,030,377
Instructional Staff	183,007	12,522	0	0	0	195,529
Board of Education	37,168	0	0	0	0	37,168
Administration	1,892,451	10,105	0	0	0	1,902,556
Fiscal	270,022	0	0	0	0	270,022
Business	114,819	0	0	0	0	114,819
Operation and Maintenance of Plant	1,410,442	152,094	0	0	0	1,562,536
Pupil Transportation	693,427	0	0	0	0	693,427
Central	124,229	30,470	0	0	0	154,699
Non-Instructional Services	296	92,911	0	0	0	93,207
Extracurricular activities	268,087	124,146	0	0	0	392,233
Capital Outlay	17,174	0	0	913,029	0	930,203
<b>Debt Service:</b>						
Debt Service - Principal	0	0	247,902	2,830	0	250,732
Debt Service - Interest	0	0	35,540	21,513	0	57,053
<b>Total Expenditures</b>	<b>13,423,131</b>	<b>906,770</b>	<b>283,442</b>	<b>949,954</b>	<b>2,000</b>	<b>15,565,297</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>305,664</b>	<b>(268,588)</b>	<b>4,124</b>	<b>(690,030)</b>	<b>29,274</b>	<b>(619,556)</b>
<b>Other Financing Sources and Uses</b>						
Operating Transfers In	0	8,000	0	0	0	8,000
Proceeds from Sale of Long-term Notes	0	0	0	1,460,000	0	1,460,000
Refund of Prior Year Expenditures	22,770	0	0	0	0	22,770
Other Financing Sources	0	562,924	0	0	0	562,924
Operating Transfers Out	(110,756)	0	0	0	0	(110,756)
<b>Total Other Financing Sources (Uses)</b>	<b>(87,986)</b>	<b>570,924</b>	<b>0</b>	<b>1,460,000</b>	<b>0</b>	<b>1,942,938</b>
<b>Excess of Rev and Other over Exp and Other...</b>	<b>217,678</b>	<b>302,336</b>	<b>4,124</b>	<b>769,970</b>	<b>29,274</b>	<b>1,323,382</b>
<b>Fund Balance at Beginning of Year</b>	<b>(674,151)</b>	<b>379,816</b>	<b>153,673</b>	<b>20,892</b>	<b>7,363</b>	<b>(112,407)</b>
<b>Fund Balance at End of Year</b>	<b>(\$456,473)</b>	<b>\$682,152</b>	<b>\$157,797</b>	<b>\$790,862</b>	<b>\$36,637</b>	<b>\$1,210,975</b>

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

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 1999

	General			Special Revenue		
	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Intergovernmental	\$2,893,850	\$2,650,258	(\$213,594)	\$443,329	\$374,405	(\$68,924)
Interest	115,000	153,759	38,759	0	0	0
Tuition and Fees	108,000	42,301	(65,699)	0	0	0
Rent	500	307	(193)	0	0	0
Extracurricular Activities	0	0	0	127,550	108,517	(19,033)
Gifts and Donations	0	0	0	8,800	9,322	522
Property & Other Local Taxes	10,566,674	10,785,388	218,714	0	0	0
Miscellaneous	4,000	6,580	2,580	5,075	5,000	(75)
<b>Total Revenues</b>	<b>13,658,024</b>	<b>13,636,571</b>	<b>(21,453)</b>	<b>584,754</b>	<b>497,244</b>	<b>(87,510)</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	6,707,328	6,672,289	35,059	355,032	303,455	51,577
Special	822,488	615,887	2,066	211,678	193,536	18,142
Vocational	147,725	130,826	16,899	0	0	0
Adult/Continuing	24,500	21,685	2,835	9,743	5,000	4,743
<b>Support Services:</b>						
Pupils	1,038,150	1,027,741	10,409	65,000	4,482	60,518
Instructional Staff	209,955	184,300	25,655	6,839	6,839	0
Board of Education	40,817	39,264	1,553	0	0	0
Administration	1,937,948	1,943,620	(5,672)	11,087	10,105	982
Fiscal	281,475	258,119	23,356	0	0	0
Business	121,220	117,471	3,749	0	0	0
Operation and Maintenance of Plant	1,490,424	1,433,287	57,137	170,250	154,344	15,906
Pupil Transportation	658,069	648,388	9,681	0	0	0
Central	151,100	130,828	20,272	57,715	31,852	25,863
Non-Instructional Services	1,370	1,329	41	147,481	92,189	55,312
Extracurricular activities	271,960	265,692	6,268	133,560	129,185	4,395
Capital Outlay	17,279	17,175	104	0	0	0
<b>Debt Service:</b>						
Debt Service - Principal	0	0	0	0	0	0
Debt Service - Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>13,701,806</b>	<b>13,505,657</b>	<b>196,149</b>	<b>1,168,365</b>	<b>930,847</b>	<b>237,438</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(45,782)</b>	<b>132,914</b>	<b>178,696</b>	<b>(583,611)</b>	<b>(433,703)</b>	<b>149,928</b>
<b>Other Financing Sources and Uses</b>						
Operating Transfers In	0	0	0	8,000	8,000	0
Proceeds from Sale of Long-Term Notes	0	0	0	0	0	0
Refund of Prior Year Expenditures	16,000	15,599	(401)	0	0	0
Advances In	25,000	0	(25,000)	109,800	109,800	0
Other Financing Sources	0	0	0	379,549	562,924	183,375
Operating Transfers Out	(111,000)	(110,758)	242	0	0	0
Advances Out	(109,800)	(109,800)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(179,800)</b>	<b>(204,957)</b>	<b>(25,157)</b>	<b>497,349</b>	<b>680,724</b>	<b>183,375</b>
<b>Excess of Rev and Other over Exp and Other...</b>	<b>(225,582)</b>	<b>(72,043)</b>	<b>153,539</b>	<b>(86,262)</b>	<b>247,021</b>	<b>333,303</b>
Fund Balances at Beginning of Year	434,941	434,941	0	373,965	373,965	0
Unexpended Prior Year Encumbrances	128,808	128,808	0	52,480	52,480	0
<b>Fund Balance at end of Year</b>	<b>\$336,167</b>	<b>\$489,706</b>	<b>\$153,539</b>	<b>\$340,183</b>	<b>\$673,466</b>	<b>\$333,303</b>

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

Debt Service			Capital Projects			Expendable Trust			Totals (Memorandum Only)		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$15,000	\$21,022	\$6,022	\$0	\$21,222	\$21,222	\$0	\$0	\$0	\$3,322,179	\$3,066,905	(\$255,274)
0	0	0	0	0	0	0	0	0	115,000	153,759	38,759
0	0	0	0	0	0	0	0	0	106,000	42,301	(63,699)
0	0	0	0	0	0	0	0	0	500	307	(193)
0	0	0	0	0	0	0	0	0	127,550	108,517	(19,033)
0	0	0	0	0	0	3,660	31,274	27,614	12,460	40,566	28,106
275,000	269,687	(5,313)	238,477	214,436	(24,041)	0	0	0	11,080,151	11,269,511	189,360
0	0	0	0	0	0	0	0	0	8,075	11,560	2,485
280,000	280,709	709	238,477	235,658	(2,819)	3,660	31,274	27,614	14,772,915	14,693,456	(79,459)
0	0	0	12,582	12,582	0	2,365	1,500	865	7,077,307	6,989,808	87,501
0	0	0	0	0	0	800	500	300	834,964	809,923	25,041
0	0	0	0	0	0	0	0	0	147,725	130,826	16,899
0	0	0	0	0	0	0	0	0	34,243	26,665	7,578
0	0	0	0	0	0	0	0	0	1,103,150	1,032,223	70,927
0	0	0	0	0	0	0	0	0	216,794	191,139	25,655
0	0	0	0	0	0	0	0	0	40,817	39,264	1,553
0	0	0	0	0	0	0	0	0	1,949,035	1,953,725	(4,690)
0	0	0	0	0	0	0	0	0	261,475	258,119	3,356
0	0	0	0	0	0	0	0	0	121,220	117,471	3,749
0	0	0	0	0	0	0	0	0	1,660,674	1,567,631	73,043
0	0	0	0	0	0	0	0	0	658,069	646,386	11,683
0	0	0	0	0	0	0	0	0	208,615	162,476	46,337
0	0	0	0	0	0	0	0	0	148,851	93,498	55,353
0	0	0	0	0	0	0	0	0	405,520	394,857	10,663
0	0	0	914,400	914,291	109	0	0	0	931,679	931,466	213
249,460	247,902	1,558	2,899	2,831	68	0	0	0	252,359	250,733	1,626
35,540	35,540	0	25,000	21,513	3,487	0	0	0	60,540	57,053	3,487
285,000	283,442	1,558	854,881	851,217	3,664	3,165	2,000	1,165	16,113,237	15,673,263	439,974
5,000	7,267	2,267	(716,404)	(715,599)	845	495	29,274	28,779	(1,340,322)	(979,807)	360,515
0	0	0	0	0	0	0	0	0	8,000	8,000	0
0	0	0	1,460,000	1,460,000	0	0	0	0	1,460,000	1,460,000	0
0	0	0	0	0	0	0	0	0	16,000	15,599	(401)
0	0	0	0	0	0	0	0	0	134,800	109,800	(25,000)
0	0	0	0	0	0	0	0	0	379,549	562,924	183,375
0	0	0	0	0	0	0	0	0	(111,000)	(110,756)	244
0	0	0	0	0	0	0	0	0	(109,800)	(109,800)	0
0	0	0	1,460,000	1,460,000	0	0	0	0	1,777,548	1,935,767	158,219
5,000	7,267	2,267	743,596	744,441	845	495	29,274	28,779	437,227	955,960	518,733
140,824	140,824	0	20,892	20,892	0	7,363	7,363	0	977,985	977,985	0
0	0	0	0	0	0	0	0	0	179,288	179,288	0
\$145,824	\$148,091	\$2,267	\$764,488	\$765,333	\$845	\$7,858	\$36,637	\$28,779	\$1,594,500	\$2,113,233	\$518,733

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>Operating Revenues:</b>			
Sales	\$295,262	\$15,992	\$311,254
<b>Total Operating Revenues</b>	<u>295,262</u>	<u>15,992</u>	<u>311,254</u>
<b>Operating Expenses:</b>			
Salaries	157,875	-	157,875
Fringe Benefits	72,172	-	72,172
Purchased Services	213,243	6,955	220,198
Materials and Supplies	92,688	8,023	100,709
Depreciation	13,668	-	13,668
Other	407	-	407
<b>Total Operating Expenses</b>	<u>550,051</u>	<u>14,978</u>	<u>565,029</u>
<b>Operating Loss</b>	<u>(254,789)</u>	<u>1,014</u>	<u>(253,775)</u>
<b>Non-Operating Revenues and Expenses:</b>			
Federal Donated Commodities	44,731	-	44,731
Federal and State Subsidies	107,751	-	107,751
<b>Total Non-Operating Revenues and Expenses</b>	<u>152,482</u>	<u>-</u>	<u>152,482</u>
<b>Loss Before Operating Transfers</b>	<u>(102,307)</u>	<u>1,014</u>	<u>(101,293)</u>
Operating Transfers-in	102,756	-	102,756
<b>Net Income (Loss)</b>	<u>449</u>	<u>1,014</u>	<u>1,463</u>
Retained Earnings at Beginning of Year	37,820	2,742	40,562
<b>Retained Earnings at End of Year</b>	<u>\$38,269</u>	<u>\$3,756</u>	<u>\$42,025</u>

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

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO**

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999**

	Proprietary Fund Types		Totals Memorandum Only
	Enterprise	Internal Service	
<b>Increase/(Decrease) in Cash &amp; Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Sales	\$295,186	\$15,992	\$311,178
Cash Pmts. to Suppliers for Goods & Service	(49,641)	(7,830)	(57,471)
Cash Payments for Contract Services	(213,243)	(6,955)	(220,198)
Cash Payments for Employee Services	(159,212)	-	(159,212)
Cash Payments for Employee Benefits	(75,485)	-	(75,485)
Other Cash Payments	(407)	-	(407)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(202,802)</u>	<u>1,207</u>	<u>(201,595)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Operating Grants Received	107,473	-	107,473
Operating Transfers In	102,758	-	102,756
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<u>210,229</u>	<u>-</u>	<u>210,229</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	7,427	1,207	8,634
<b>Cash &amp; Cash Equivalents at Beginning of Year</b>	17,810	2,742	20,552
<b>Cash &amp; Cash Equivalents at End of Year</b>	<u>\$25,237</u>	<u>\$3,949</u>	<u>\$29,186</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</b>			
<b>Operating Loss</b>	(\$254,789)	\$1,014	(\$253,775)
<b>Adjustments to Reconcile Operating Loss To Net Cash Provided by (Used for) Operating Activities:</b>			
Depreciation	13,668	-	13,668
Donated Commodities Used During the Year	44,730	-	44,730
<b>(Increase) Decrease in Assets:</b>			
Accounts Receivable	(75)	-	(75)
Material and Supplies Inventory	(3,404)	-	(3,404)
<b>Increase (Decrease) in Liabilities:</b>			
Compensated Absences Payable	(2,367)	-	(2,367)
Intergovernmental Payable	2,017	-	2,017
Deferred Revenue	2,285	-	2,285
Accounts Payable	(567)	193	(374)
Accrued Wages and Benefits	(4,300)	-	(4,300)
<b>Total Adjustments</b>	<u>51,987</u>	<u>193</u>	<u>52,180</u>
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(\$202,802)</u>	<u>\$1,207</u>	<u>(\$201,595)</u>

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999**

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

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

The School District was established in the 1920s through the consolidation of existing land areas and school districts. The School District serves an area of approximately 27 square miles. It is located in Wood County, and includes the City of Rossford and portions of the City of Northwood and portions of Perrysburg and Lake Townships. The School District is the 258<sup>th</sup> largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 95 non-certificated employees and 153 certificated full-time teaching personnel who provide services to 2,172 students and other community members. The School District currently operates five instructional buildings, one administrative building, and one garage.

**Reporting Entity:**

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

The following activities are included within the reporting entity:

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

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

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

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

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

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

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

Rossford Exempted Village School District  
Wood County, Ohio

Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

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

**Governmental Fund Types:**

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

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

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

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

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

**Proprietary Fund Types:**

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

Rossford Exempted Village School District  
Wood County, Ohio

Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

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

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

**Fiduciary Fund Types:**

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

**Account Groups:**

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

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

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

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

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

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

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

**C. Budgetary Process**

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

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

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

**Tax Budget:**

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

**Encumbrances:**

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

**Lapsing of Appropriations:**

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

**D. Cash and Cash Equivalents**

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

During fiscal year 1999 the investments were limited to repurchase agreements and STAR Ohio. All investments of the School District had a maturity of two years or less. Investments are stated at fair market value or amortized cost. Investment earnings are allocated as authorized by State statute.

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 1999. 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, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$153,759.

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest-bearing depository accounts are presented on the combined balance sheet as "cash and cash equivalents in segregated accounts" since they are not required to be deposited into the School District treasury.

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

**E. Estimates**

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**F. Interfund Receivables/Payables**

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

**G. Inventory**

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

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**I. Fixed Assets and Depreciation**

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

**J. Compensated Absences**

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

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

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

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

Rossford Exempted Village School District  
Wood County, Ohio

Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

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

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**M. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization, textbook purchases, capital acquisition, school bus purchases, unclaimed monies and endowments.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved. The reserve for endowments signifies the legal restrictions on the use of principal.

Rossford Exempted Village School District  
Wood County, Ohio

Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

**N. Intergovernmental Revenues**

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

**Entitlements**

General Fund

State Foundation Program  
State Property Tax Relief  
School Bus Purchase Reimbursement

**Non-Reimbursable Grants**

Special Revenue Funds

Venture Capital  
Auxiliary Services  
Education Management Information Systems  
Disadvantaged Pupil Impact Aid  
Title I  
Title VI  
Educational Television  
Community Education  
Teacher Development  
Data Communications for School Buildings  
Textbook/Instructional Materials Subsidy  
Eisenhower Grant  
Preschool Disability Grant  
Title VI-B  
Goals 2000 NSI Grant

Rossford Exempted Village School District  
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Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

Capital Projects Funds

School Net  
School Net Plus  
Technology Equity

Reimbursable Grants

General Fund  
Driver Education

Proprietary Funds

National School Lunch Program  
National School Breakfast Program  
Government Donated Commodities

**O. Interfund Transactions**

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

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

**P. Statement of Cash Flows**

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

Rossford Exempted Village School District  
Wood County, Ohio

Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

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

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

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

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

**NOTE 3 - ACCOUNTABILITY**

At June 30, 1999, the Miscellaneous Grants fund had a deficit fund balance of \$11,487, which was created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Rossford Exempted Village School District  
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Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)

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

Interfund balances at June 30, 1999; consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$131,400	\$0
Special Revenue	0	112,400
Enterprise	0	19,000
Total	<u>\$131,400</u>	<u>\$131,400</u>

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

*Interim deposits* are 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.

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

**Rossford Exempted Village School District  
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**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**Cash on Hand:** At fiscal year end, the School District had \$1,300 in cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

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

**Deposits:** At fiscal year end, the carrying amount of the School District's deposits was (\$19,307) and the bank balance was \$105,577. Of the bank balance was \$101,078 covered by federal depository insurance and \$4,499 was covered by pooled collateral. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

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

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	\$45,377	\$45,377	\$45,377
STAR Ohio	0	2,439,165	2,439,165
<b>Totals</b>	<b>\$45,377</b>	<b>\$2,484,542</b>	<b>\$2,484,542</b>

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

	Cash and Cash Equivalents Deposits	Investments
GASB Statement 9	\$2,466,535	\$0
Investments of the Cash Management Pool:		
Repurchase Agreement	(45,377)	45,377
STAR Ohio	(2,439,165)	2,439,165
Cash on Hand	(1,300)	0
GASB Statement 3	<u>(\$19,307)</u>	<u>\$2,484,542</u>

**NOTE 6 - PROPERTY TAXES**

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

The School District receives property taxes from Wood County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 1999 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999, was \$451,373 in the General Fund, \$9,707 in the Bond Retirement Debt Service Fund, and \$24,267 in the Capital Projects Fund.

The assessed values upon which fiscal year 1999 taxes were collected are:

	<u>1998 Second-half Collections</u>		<u>1999 First-half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential	\$181,290,590	62%	\$ 181,290,590	62%
Public Utility	17,009,810	6%	17,009,810	6%
Tangible Personal Property	94,066,887	32%	94,066,887	32%
Total Assessed Value	<u>\$292,367,287</u>	<u>100%</u>	<u>\$ 292,367,287</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$47.50		\$47.50	

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 7 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Expendable Trust</u>
Budget Basis	(\$72,043)	\$ 247,021	\$7,267	\$744,441	\$ 29,274
Adjustments for:					
Revenue Accruals	35,059	140,939	(3,143)	24,267	0
Expenditure Accruals	(60,262)	(38,106)	0	(14,097)	0
Other Sources/Uses	116,971	(109,800)	0	0	0
Encumbrances	<u>197,953</u>	<u>62,282</u>	<u>0</u>	<u>15,359</u>	<u>0</u>
GAAP Basis	<u>\$217,678</u>	<u>\$302,336</u>	<u>\$4,124</u>	<u>\$769,970</u>	<u>\$ 29,274</u>

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<i>General Fund</i>	
Taxes	\$11,085,815
Accounts	17,007
<i>Special Revenue Funds</i>	
Accounts	2,450
Intergovernmental	119,603
<i>Debt Service Fund</i>	
Taxes	293,306
<i>Capital Projects Fund</i>	
Taxes	589,045
<i>Enterprise Funds</i>	
Accounts	75
Intergovernmental	<u>16,622</u>
<b>Total Receivables</b>	<b><u>\$12,123,923</u></b>

**NOTE 9 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Furniture and Equipment	\$311,954
Less: Accumulated Depreciation	<u>(253,094)</u>
<b>Net Fixed Assets</b>	<b><u>\$58,860</u></b>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

<b>Asset Category</b>	<b>Balance At 6/30/98</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/99</b>
Land and Improvements	\$ 92,706	\$ 899,932	\$0	\$ 992,638
Buildings and Improvements	8,173,046	0	0	8,173,046
Furniture and Equipment	2,092,422	284,363	6,089	2,370,696
Vehicles	<u>1,090,013</u>	<u>108,293</u>	<u>31,015</u>	<u>1,167,291</u>
<b>Totals</b>	<b><u>\$11,448,187</u></b>	<b><u>\$1,292,588</u></b>	<b><u>\$37,104</u></b>	<b><u>\$12,703,671</u></b>

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 10 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Balance at 6/30/98	<u>Additions</u>	<u>Deductions</u>	Balance at 6/30/99
School Improvement Bonds	\$ 775,000	\$ 0	\$ 245,000	\$ 530,000
Permanent Improvement Bond	0	1,460,000	0	\$1,460,000
Intergovernmental Payable	132,310	0	16,714	115,596
Compensated Absences	<u>1,016,247</u>	<u>103,934</u>	<u>0</u>	<u>1,120,181</u>
Total Long-Term Obligations	<u>\$1,923,557</u>	<u>\$1,563,934</u>	<u>\$ 261,714</u>	<u>\$3,225,777</u>

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

**Energy Conservation Loan** - On December 15, 1993, the Rossford Exempted Village School District issued \$150,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a four year period with final maturity during fiscal year 1999. The loan was retired from the general fund.

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

The School District's voted legal debt margin was \$26,313,056 with an unvoted debt margin of \$292,367 at June 30, 1999.

Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 1999, are as follows:

Fiscal year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 525,000	\$ 75,285	\$ 600,285
2001	555,000	49,700	604,700
2002	290,000	30,600	320,600
2003	305,000	18,700	323,700
2004	<u>315,000</u>	<u>6,300</u>	<u>321,300</u>
Total	<u>\$1,990,000</u>	<u>\$180,585</u>	<u>\$2,170,585</u>

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 11- RISK MANAGEMENT**

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

Settled claims have not exceeded this commercial coverage in any of the past three years.

**OSBA Workers' Compensation Group Rating**

For fiscal year 1999, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. State Teachers Retirement System**

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were, \$961,496, \$955,152 and \$933,984 respectively; 84 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$153,404 representing unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

**B. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.79 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$310,840, \$262,052, and \$261,372, respectively, 55 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$138,648 representing unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 13 - POSTEMPLOYMENT BENEFITS**

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

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

The Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1998, the board allocated employer contributions equal to 3.5 percent of covered payroll to Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2,156 million on June 30, 1998. The Health Care Reserve Fund allocation for the year ended June 30, 1999 will be 8 percent of covered payroll.

For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000. There were 91,999 eligible benefit recipients.

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

After the allocation for the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 1998, the allocation rate is 4.98 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1998, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

**Rossford Exempted Village School District  
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**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, the Retirement System's net assets available for payment of health care benefits were \$160.3 million. The number of participants currently receiving health care benefits is approximately 50,000.

The portion of your employer contributions that were used to fund postemployment benefits can be determined by multiplying actual employer contributions times .3557, then adding the surcharge due as of June 30, 1998, as certified to your district by SERS.

For the School District, the amount to fund health care benefits, including the surcharge equaled \$145,427 during the 1999 fiscal year.

**NOTE 14 - EMPLOYEE BENEFITS**

**Compensated Absences**

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Rossford Exempted Village School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$265,686	\$29,576	\$295,262
Depreciation Expense	13,688	0	13,688
Operating Income (Loss)	(263,404)	8,615	(254,789)
Donated Commodities	44,731	0	44,731
Grants	107,751	0	107,751
Operating Transfers - In	102,756	0	102,756
Net Income (Loss)	(8,166)	8,615	449
Net Working Capital	(45,625)	25,034	(20,591)
Total Assets	85,433	25,034	110,467
Total Liabilities	72,198	0	72,198
Total Equity	13,235	25,034	38,269

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**Northwest Ohio Computer Association**

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 17 - INSURANCE PURCHASING POOL**

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

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

**NOTE 18 - RELATED ORGANIZATION**

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

**NOTE 19 - CONTINGENCIES**

**Grants:**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

**Litigation:**

On December 6, 1999, a complaint was filed by a student who was taunted and threatened by other students in the school. The plaintiff states and alleges the Board of Education did not provide a safe environment and took no significant action. The plaintiff demands compensatory damages of at least \$100,000.

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

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

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$0	\$0	\$71,085	
Current Year Set-aside Requirement	234,734	234,734	117,367	
Current Year Offsets	0	0	0	
Qualifying Disbursements	(511,784)	(926,095)	0	
Total	<u>(\$277,050)</u>	<u>(\$691,361)</u>	<u>\$188,452</u>	
Cash Balance Carried Forward to FY 1999	\$0	\$0	\$188,452	
Amount restricted for Budget Stabilization				<u>\$188,452</u>
Total Restricted Assets				<u>\$188,452</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

**NOTE 21 -STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 1999, the School District received \$1,828,086 of school foundation support for its general fund.

Since the Supreme Court Ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws, and in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in the Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

**Rossford Exempted Village School District  
Wood County, Ohio**

**Notes to the General Purpose Financial Statements  
June 30, 1999  
(Continued)**

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

**NOTE 22 – YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal 1999.

The school district has completed an inventory of computer systems and other equipment necessary to conducting District operations as of March 04, 1999, and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting through the State's Education Management and Information System (EMIS). The District has several school buildings with power systems, which have extensive efficiency utilization measures within the systems.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and State of Ohio uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and nonfinancial information about the District through EMIS. The State is responsible for remediating these systems.

The School District currently is assessing the changes needed in the power systems. Systems may have to be remediated, tested and validated. Money in the amount of \$2,000 has been budgeted for the assessed changes.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be Year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties with whom the School District does business will be year 2000 ready.

# **REICHERT & ASSOCIATES, CPA'S**

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Board of Education  
Rossford Exempted Village School District  
Wood County  
229 Eagle Point Road  
Rossford, Ohio 43460-1197

We have audited the financial statements of Rossford Exempted Village School District (the School District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 22, 1999, in which we indicated the School District changed its method of accounting for investments. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-001 and 1999-002.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal

Page 2

control over financial reporting that, in our judgment, could adversely affect the School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 1999-003 and 1999-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 1999-003 and 1999-004 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated December 15, 1999.

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

December 15, 1999  
Findlay, Ohio

**REICHERT & ASSOCIATES, CPA'S**  
Certified Public Accountants

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT  
WOOD COUNTY, OHIO

SCHEDULE OF FINDINGS

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

<b>Finding Number</b>	<b>1999-001</b>
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**Budgetary**

Ohio Revised Code §5705.39 states that no appropriation measure is to become effective until the County Auditor files a certificate that the total appropriations should not exceed total official estimate or amended official estimate. The School District did not file any appropriations to the County Auditor and therefore no certificate was issued.

We recommend that when the Board of Educations passes their annual appropriation resolution or supplemental appropriations the treasurer immediately send a copy to the County Auditor so certification can be made.

<b>Finding Number</b>	<b>1999-002</b>
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**"412 Certificates"**

Ohio Revised Code §5705.412 requires the treasurer, superintendent and president of the board of education to certify that adequate revenues will be available to maintain all personnel, programs and services essential to the provision of an adequate educational program for a specified number of days. The certifications have been called "412 Certificates". The County Auditor stated that no "412 Certificates " were filed with his office. Obligations that have not been certified are considered void. No payments may be made on void obligations.

Certifications should be sent to the County Auditor for appropriation measures, negotiated agreements, contracts for benefits, increased salary or wage schedules and significant construction contracts.

Finding Number	1999-003
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**Classification of Object Codes 400 to 599**

In testing cash disbursements for proper classification, it was determined that approximately 16% to 24% (allowing for judgement) were not coded properly. There is no check on secretaries who code purchased orders.. Also it seems, based on the same invoice being charged to two different codes, when an appropriation becomes overdrawn, another appropriation object code is used. Users of management reports, such as, the Board of Education, are not getting an accurate report of their purchased services or materials and supplies.

We recommend someone in the treasurer's office to verify the object codes as being proper and that the treasurer office purchase a stamp, whereby, the person can initial that verification has been made. This stamp also can be used to verify that discounts have been taken and cross-footing and footings have been made.

The treasurer and the Board of Education need to have accurate records and it is recommended accurate records take a priority with appropriations being adjusted more often.

Finding Number	1999-004
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**Fixed Asset Classifications and records.**

In testing fixed assets records we determined the capitalization policy of \$500 is not being followed. Many supply items are being charged to 600 and 700 object codes. We believe this to be a factor of the above findings.

Some examples of items being charged were disk pads (\$21.99), overhead bulbs (\$31.28), chalk supplies (\$86.86). Flash cards (\$9.18), skip ropes (\$16.40), Cap pourers for Pourmaster (\$4.50), and cassette case (\$9.48). In all, about \$58,000, were supply items. Other items could be considered fixed assets, but were under \$500. These items should be classified as "Materials and Supplies".

We recommend again, as shown in findings 1999-003, someone in the treasurer's department to verify fixed asset object codes as being proper. Finally, we recommend the Equipment Information System (EIS) be brought up to date and depreciation be taken on all items in anticipation of the new reporting model.

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

STATUS OF PRIOR AUDIT'S

FINDINGS, REPORTABLE CONDITIONS, AND CITATIONS

Findings For Recovery:

None Issued

<u>Reportable Condition:</u>	<u>Status</u>	<u>Explanation if not fully Implemented</u>
Year 2000 Issue	Corrected	N/A
Financial Records not updated for budgetary amendments.	Corrected	N/A
<u>Citations:</u>		
Ohio Revised Code Section 5705.39	Corrected	N/A



STATE OF OHIO  
OFFICE OF THE AUDITOR

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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.

By: Susan Babbitt

Date: JANUARY 13, 2000