



Dave Yost • Auditor of State

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual General Fund	20
Statement of Fiduciary Assets and Liabilities - Fiduciary Funds	21
Statement of Change in Fiduciary Net Position – Private Purpose Trust Fund.....	22
Notes to the Basic Financial Statements	23
Federal Awards Receipts and Expenditures Schedule	49
Notes to the Federal Awards Receipts and Expenditures Schedule	50
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	51
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	53
Schedule of Findings.....	55
Independent Accountant's Report on Applying Agreed-Upon Procedure	57

THIS PAGE IS INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460-1247

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio, as of June 30, 2013, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, during the year ended June 30, 2013, the District adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

February 19, 2014

THIS PAGE INTENTIONALLY LEFT BLANK.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The discussion and analysis of Rossford Exempted Village School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Highlights

Highlights for fiscal year 2013 are as follows:

In total, net position decreased \$177,375, or 1 percent from the prior fiscal year.

General revenues were \$23,114,224 for fiscal year 2013, or 90 percent of all revenues, and reflect the School District's significant dependence on property taxes and unrestricted state entitlements.

Using the Basic Financial Statements

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

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

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

Reporting the School District as a Whole

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2013. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

Reporting the School District's Most Significant Funds

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

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

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2013 and fiscal year 2012:

	Table 1 Net Position		
	2013	Governmental Activities 2012	Change
<u>Assets:</u>			
Current and Other Assets	\$21,990,086	\$22,832,533	(\$842,447)
Capital Assets, Net	9,928,215	10,400,226	(472,011)
Total Assets	31,918,301	33,232,759	(1,314,458)
			(continued)

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		
	2013	2012	Change
<u>Liabilities:</u>			
Current and Other Liabilities	\$3,624,577	\$3,759,818	\$135,241
Long-Term Liabilities	1,753,230	1,770,835	17,605
Total Liabilities	<u>5,377,807</u>	<u>5,530,653</u>	<u>152,846</u>
<u>Deferred Inflows of Resources</u>	<u>9,437,867</u>	<u>10,422,104</u>	<u>984,237</u>
<u>Net Position:</u>			
Net Investment in Capital Assets	9,928,215	10,400,226	(472,011)
Restricted	2,357,502	2,135,133	222,369
Unrestricted	4,816,910	4,744,643	72,267
Total Net Position	<u>\$17,102,627</u>	<u>\$17,280,002</u>	<u>(\$177,375)</u>

Although the change in net position was only 1 percent, there were several changes from the prior year worth noting. A combination of factors led to the decrease in current and other assets reflected in the above table. There was a decrease in cash and cash equivalents of over \$1.4 million. At the conclusion of fiscal year 2011, the amount available for advance of property taxes to the School District was almost \$2.7 million, and at the conclusion of fiscal year 2012, this amount had decreased to approximately \$1.4 million. As a result, the School District had less cash on hand during fiscal year 2013 from which to make expenditures. Other factors included an increase in the receivable for property taxes and payments in lieu of taxes at the end of fiscal year 2013. Property tax collections are based on the assessed valuation of property and the increased receivable for payments in lieu of taxes is related to the timing of when payments are made. The decrease in net capital assets and the investment in capital assets is primarily due to annual depreciation, along with a few asset disposals. The decrease in current and other liabilities is largely due to a decrease in accrued wages as of fiscal year end. This is due to payroll timing and was affected by individuals who had retired during the fiscal year and either not replaced or replaced with lower paid individuals.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 2 reflects the change in net position for fiscal year 2013 and fiscal year 2012.

Table 2
Change in Net Position

	Governmental Activities		Change
	2013	2012	
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$972,451	\$919,761	\$52,690
Operating Grants and Contributions	1,761,292	1,740,916	20,376
Total Program Revenues	<u>2,733,743</u>	<u>2,660,677</u>	<u>73,066</u>
General Revenues			
Property Taxes Levied for General Purposes	13,181,167	10,431,284	2,749,883
Payment in Lieu of Taxes	594,055	735,841	(141,786)
Grants and Entitlements	7,445,263	7,833,274	(388,011)
Interest	0	43,851	(43,851)
Gifts and Donations	1,570,783	1,502,089	68,694
Miscellaneous	322,956	195,327	127,629
Total General Revenues	<u>23,114,224</u>	<u>20,741,666</u>	<u>2,372,558</u>
Total Revenues	<u>25,847,967</u>	<u>23,402,343</u>	<u>2,445,624</u>
<u>Expenses:</u>			
Instruction:			
Regular	11,403,422	11,379,408	(24,014)
Special	2,213,166	2,510,651	297,485
Vocational	216,121	308,858	92,737
Adult/Continuing	21,908	26,828	4,920
Support Services:			
Pupils	1,966,170	1,881,052	(85,118)
Instructional Staff	1,526,096	1,481,630	(44,466)
Board of Education	220,915	48,582	(172,333)
Administration	2,048,654	2,155,174	106,520
Fiscal	473,864	455,455	(18,409)
Business	124,140	117,473	(6,667)
Operation and Maintenance of Plant	2,317,416	2,105,891	(211,525)
Pupil Transportation	960,325	1,053,824	93,499
Central	532,577	549,277	16,700
Non-Instructional Services	1,007,026	1,042,061	35,035
Extracurricular Activities	993,542	780,924	(212,618)
Total Expenses	<u>26,025,342</u>	<u>25,897,088</u>	<u>(128,254)</u>
Decrease in Net Position	<u>(177,375)</u>	<u>(2,494,745)</u>	<u>2,317,370</u>
Net Position at Beginning of Year	<u>17,280,002</u>	<u>19,774,747</u>	<u>(2,494,745)</u>
Net Position at End of Year	<u>\$17,102,627</u>	<u>\$17,280,002</u>	<u>(\$177,375)</u>

Overall, revenues increased 10 percent from the prior fiscal year. There was a modest increase in program revenues but a sizable increase in general revenues as reflected in the increase in property tax revenues (again based on assessed valuations as well as collection of any delinquent accounts previously considered uncollectible).

Expenses remained fairly similar to the prior fiscal year with a change of less than 1 percent.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction:				
Regular	\$11,403,422	\$11,379,408	\$10,925,955	\$10,972,064
Special	2,213,166	2,510,651	1,078,683	1,451,599
Vocational	216,121	308,858	209,417	302,154
Adult/Continuing	21,908	26,828	21,908	26,828
Support Services:				
Pupils	1,966,170	1,881,052	1,966,170	1,881,052
Instructional Staff	1,526,096	1,481,630	1,526,096	1,481,630
Board of Education	220,915	48,582	220,915	48,582
Administration	2,048,654	2,155,174	2,048,654	2,155,174
Fiscal	473,864	455,455	473,864	455,455
Business	124,140	117,473	124,140	117,473
Operation and Maintenance of Plant	2,317,416	2,105,891	2,317,416	2,105,891
Pupil Transportation	960,325	1,053,824	949,363	1,053,824
Central	532,577	549,277	532,577	524,277
Non-Instructional Services	1,007,026	1,042,061	120,223	103,201
Extracurricular Activities	993,542	780,924	776,218	557,207
Total Expenses	<u>\$26,025,342</u>	<u>\$25,897,088</u>	<u>\$23,291,599</u>	<u>\$23,236,411</u>

As can be seen above, the dependence on general revenues for most programs is significant. Only several of the School District's programs receive a notable amount of program revenues to offset program costs. The special instruction program provides for 51 percent of its costs through program revenues from operating grants restricted for special instruction purposes. Program revenues in the non-instructional program include cafeteria sales and state and federal subsidies and donated commodities for food service operations as well as operating grants received on behalf of All Saints parochial school. Program revenues in the extracurricular activities program include music and athletic fees, ticket sales, and gate receipts.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Fund balance increased 2.6 % percent from the prior fiscal year for the General Fund, generally due to the increase in property taxes and gifts and donations in fiscal year 2013. In addition, there was a decrease in overall expenditures.

General Fund Budgeting Highlights

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

During fiscal year 2013, the School District amended its General Fund budget as needed. For revenues, there was no change from the original budget to the final budget and changes from the final budget to actual revenues were not significant.

For expenditures, changes between the original and final appropriations were not significant. Actual expenditures were \$1,625,389 less than amounts budgeted due to conservative spending.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2013, the School District had \$9,928,215 invested in capital assets (net of accumulated depreciation). Significant additions during the fiscal year consisted of two new buses and six buses were disposed. For further information regarding the School District's capital assets, refer to Note 10 to the basic financial statements.

Debt

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

Current Issues

The School District's current five-year forecast indicates that the School District is in a sound financial position throughout fiscal years 2013 through 2015. The School District is dealing with a revaluation reduction that will cost the School District a loss of over \$1,000,000 per year in property tax revenue. At some point in calendar year 2014, there will be the need for an additional operating tax issue to be on the ballot.

In anticipation of the loss of tangible personal taxes, the result of HB 66, the School District has reduced the budget for the past seven fiscal years and expects to do so again in fiscal year 2014. Most of the reductions to date have occurred through attrition, a trend expected to continue in an environment of contracting student enrollment and an aging staff.

Rossford Exempted Village School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The labor contract for certified employees is in the second year of a two-year contract, and in the second year of a three-year contract for classified staff. The School District has been using the Interest Based Model of negotiating very successfully over the past decade.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to James Rossler, Jr., Treasurer, Rossford Exempted Village School District, 601 Superior Street, Rossford, Ohio 43460-1247.

THIS PAGE INTENTIONALLY LEFT BLANK.

Rossford Exempted Village School District
Statement of Net Position
June 30, 2013

	Governmental Activities
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,626,699
Accounts Receivable	17,618
Accrued Interest Receivable	2,997
Intergovernmental Receivable	400,068
Prepaid Items	59,231
Inventory Held for Resale	8,668
Materials and Supplies Inventory	2,144
Property Taxes Receivable	12,246,526
Payment in Lieu of Taxes Receivable	626,135
Nondepreciable Capital Assets	1,202,221
Depreciable Capital Assets, Net	8,725,994
Total Assets	31,918,301
<u>Liabilities:</u>	
Accounts Payable	52,238
Accrued Wages and Benefits Payable	2,550,416
Intergovernmental Payable	670,443
Matured Compensated Absences Payable	28,174
Separation Benefits Payable	323,306
Long-Term Liabilities:	
Due Within One Year	100,561
Due in More Than One Year	1,652,669
Total Liabilities	5,377,807
<u>Deferred Inflows of Resources</u>	
Property Taxes Receivable	8,811,732
Payment in Lieu of Taxes Receivable	626,135
Total Deferred Inflows of Resources	9,437,867
<u>Net Position:</u>	
Net Investment in Capital Assets	9,928,215
Restricted For:	
Set Asides	1,939,922
Debt Service	85,887
Capital Projects	8,311
Athletics	62,157
Other Purposes	261,225
Unrestricted	4,816,910
Total Net Position	\$17,102,627

See Accompanying Notes to Basic Financial Statements

Rossford Exempted Village School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013

	Program Revenues	
Expenses	Charges for Services	Operating Grants and Contributions
<u>Governmental Activities:</u>		
Instruction:		
Regular	\$11,403,422	\$414,135
Special	2,213,166	76,744
Vocational	216,121	0
Adult/Continuing	21,908	0
Support Services:		
Pupils	1,966,170	0
Instructional Staff	1,526,096	0
Board of Education	220,915	0
Administration	2,048,654	0
Fiscal	473,864	0
Business	124,140	0
Operation and Maintenance of Plant	2,317,416	0
Pupil Transportation	960,325	0
Central	532,577	0
Non-Instructional Services	1,007,026	265,603
Extracurricular Activities	993,542	215,969
Total Governmental Activities	\$26,025,342	\$972,451

General Revenues:

Property Taxes Levied for General Purposes
Payment in Lieu of Taxes
Grants and Entitlements not Restricted to Specific Programs
Gifts and Donations
Miscellaneous
Total General Revenues

Change in Net Position

Net Position at Beginning of Year
Net Position at End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in
Net Position

Governmental
Activities

(\$10,925,955)
(1,078,683)
(209,417)
(21,908)

(1,966,170)
(1,526,096)
(220,915)
(2,048,654)
(473,864)
(124,140)
(2,317,416)
(949,363)
(532,577)
(120,223)
(776,218)

(23,291,599)

13,181,167
594,055
7,445,263
1,570,783
322,956

23,114,224

(177,375)

17,280,002

\$17,102,627

Rossford Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$6,498,155	\$188,622	\$6,686,777
Accounts Receivable	17,618	0	17,618
Accrued Interest Receivable	2,997	0	2,997
Interfund Receivable	8,819	0	8,819
Intergovernmental Receivable	69,220	330,848	400,068
Prepaid Items	59,231	0	59,231
Inventory Held for Resale	0	8,668	8,668
Materials and Supplies Inventory	0	2,144	2,144
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	1,939,922	0	1,939,922
Property Taxes Receivable	12,246,526	0	12,246,526
Payment in Lieu of Taxes Receivable	626,135	0	626,135
Total Assets	<u>\$21,468,623</u>	<u>\$530,282</u>	<u>\$21,998,905</u>
<u>Liabilities</u>			
Accounts Payable	\$30,148	\$22,090	\$52,238
Accrued Wages and Benefits Payable	2,434,044	116,372	2,550,416
Interfund Payable	0	8,819	8,819
Intergovernmental Payable	644,932	25,511	670,443
Matured Compensated Absences Payable	28,174	0	28,174
Total Liabilities	<u>3,137,298</u>	<u>172,792</u>	<u>3,310,090</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes Receivable	8,811,732	0	8,811,732
Payment in Lieu of Taxes Receivable	626,135	0	626,135
Unavailable Revenue	411,119	241,640	652,759
Total Deferred Inflows of Resources	<u>9,848,986</u>	<u>241,640</u>	<u>10,090,626</u>
<u>Fund Balances:</u>			
Nonspendable	59,231	2,144	61,375
Restricted	1,958,325	179,217	2,137,542
Assigned	303,346	0	303,346
Unassigned (Deficit)	6,161,437	(65,511)	6,095,926
Total Fund Balances	<u>8,482,339</u>	<u>115,850</u>	<u>8,598,189</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$21,468,623</u>	<u>\$530,282</u>	<u>\$21,998,905</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
 Reconciliation of Total Governmental Fund Balances
 to Net Position of Governmental Activities
 June 30, 2013

Total Governmental Fund Balances		\$8,598,189
<p>Amounts reported for governmental activities on the statement of net position are different because of the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		9,928,215
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:</p>		
Accounts Receivable	11,609	
Accrued Interest Receivable	2,997	
Intergovernmental Receivable	241,640	
Delinquent Property Taxes Receivable	396,513	
		652,759
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:</p>		
Compensated Absences Payable	(1,753,230)	
Separation Benefits Payable	(323,306)	
		(2,076,536)
Net Position of Governmental Activities		\$17,102,627

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	<u>General</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>			
Property Taxes	\$13,051,644	\$0	\$13,051,644
Payment in Lieu of Taxes	594,055	0	594,055
Intergovernmental	7,675,438	1,508,169	9,183,607
Tuition and Fees	493,125	0	493,125
Extracurricular Activities	13,507	198,666	212,173
Charges for Services	0	265,603	265,603
Gifts and Donations	1,570,783	1,355	1,572,138
Miscellaneous	211,873	3,796	215,669
Total Revenues	<u>23,610,425</u>	<u>1,977,589</u>	<u>25,588,014</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	11,050,385	195,974	11,246,359
Special	1,865,059	327,058	2,192,117
Vocational	212,442	0	212,442
Adult/Continuing	15,408	6,500	21,908
Support Services:			
Pupils	1,671,364	257,472	1,928,836
Instructional Staff	1,467,817	44,444	1,512,261
Board of Education	220,915	0	220,915
Administration	2,040,389	0	2,040,389
Fiscal	455,203	0	455,203
Business	125,041	0	125,041
Operation and Maintenance of Plant	2,302,341	3,988	2,306,329
Pupil Transportation	941,629	19,157	960,786
Central	521,932	16,559	538,491
Non-Instructional Services	6,667	976,392	983,059
Extracurricular Activities	498,079	214,157	712,236
Capital Outlay	32,320	0	32,320
Total Expenditures	<u>23,426,991</u>	<u>2,061,701</u>	<u>25,488,692</u>
Excess of Revenues Over (Under) Expenditures	<u>183,434</u>	<u>(84,112)</u>	<u>99,322</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Capital Assets	109,748	0	109,748
Transfers In	0	77,000	77,000
Transfers Out	(77,000)	0	(77,000)
Total Other Financing Sources (Uses)	<u>32,748</u>	<u>77,000</u>	<u>109,748</u>
Changes in Fund Balances	216,182	(7,112)	209,070
Fund Balances at Beginning of Year	<u>8,266,157</u>	<u>122,962</u>	<u>8,389,119</u>
Fund Balances at End of Year	<u>\$8,482,339</u>	<u>\$115,850</u>	<u>\$8,598,189</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2013

Changes in Fund Balances - Total Governmental Funds \$209,070

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

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

Capital Outlay - Depreciable Capital Assets	126,226	
Depreciation	(597,981)	
	(471,755)	(471,755)

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(109,748)	
Gain on Disposal of Capital Assets	111,992	
Loss on Disposal of Capital Assets	(2,500)	
	(256)	(256)

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

Delinquent Property Taxes	129,523	
Intergovernmental	21,593	
Tuition and Fees	(2,246)	
Miscellaneous	(909)	
	147,961	147,961

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

Compensated Absences Payable	17,605	
Separation Benefits Payable	(80,000)	
	(62,395)	(62,395)

Change in Net Position of Governmental Activities (\$177,375)

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Over (Under)
<u>Revenues:</u>				
Property Taxes	\$11,434,872	\$11,434,872	\$11,384,198	(\$50,674)
Payment in Lieu of Taxes	795,535	795,535	805,103	9,568
Intergovernmental	7,997,100	7,997,100	7,675,438	(321,662)
Interest	40,000	40,000	17,236	(22,764)
Tuition and Fees	415,700	415,700	492,607	76,907
Extracurricular Activities	22,000	22,000	13,507	(8,493)
Gifts and Donations	1,509,050	1,509,050	1,570,783	61,733
Miscellaneous	102,988	102,988	115,570	12,582
Total Revenues	<u>22,317,245</u>	<u>22,317,245</u>	<u>22,074,442</u>	<u>(242,803)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	11,608,553	11,385,124	11,198,979	186,145
Special	1,904,116	1,958,060	1,879,146	78,914
Vocational	260,031	258,131	229,618	28,513
Adult/Continuing	26,000	26,000	15,408	10,592
Support Services:				
Pupils	1,804,392	1,866,897	1,670,303	196,594
Instructional Staff	1,493,753	1,490,958	1,475,733	15,225
Board of Education	66,400	281,175	290,918	(9,743)
Administration	2,274,360	2,265,970	2,049,832	216,138
Fiscal	478,325	476,125	460,308	15,817
Business	125,770	135,020	122,811	12,209
Operation and Maintenance of Plant	3,042,649	3,061,679	2,454,102	607,577
Pupil Transportation	1,020,857	1,090,057	980,562	109,495
Central	557,365	559,765	522,346	37,419
Non-Instructional Services	26,512	27,312	6,824	20,488
Extracurricular Activities	613,153	604,123	504,117	100,006
Capital Outlay	31,000	32,320	32,320	0
Total Expenditures	<u>25,333,236</u>	<u>25,518,716</u>	<u>23,893,327</u>	<u>1,625,389</u>
Excess of Expenditures Over Revenues	<u>(3,015,991)</u>	<u>(3,201,471)</u>	<u>(1,818,885)</u>	<u>1,382,586</u>
<u>Other Financing Sources (Uses):</u>				
Sale of Capital Assets	0	0	109,748	109,748
Refund of Prior Year Expenditures	95,000	95,000	61,540	(33,460)
Refund of Prior Year Receipts	(33,500)	(33,500)	(38)	33,462
Advances In	53,000	52,998	52,998	0
Advances Out	(165,000)	(165,000)	(5,955)	159,045
Transfers Out	(275,000)	(275,000)	(77,000)	198,000
Total Other Financing Sources (Uses)	<u>(325,500)</u>	<u>(325,502)</u>	<u>141,293</u>	<u>466,795</u>
Changes in Fund Balance	(3,341,491)	(3,526,973)	(1,677,592)	1,849,381
Fund Balance at Beginning of Year	9,609,964	9,609,964	9,609,964	0
Prior Year Encumbrances Appropriated	275,797	275,797	275,797	0
Fund Balance at End of Year	<u>\$6,544,270</u>	<u>\$6,358,788</u>	<u>\$8,208,169</u>	<u>\$1,849,381</u>

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Private Purpose Trust</u>	<u>Agency</u>
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$64,803	\$63,970
Investments	0	404
Total Assets	<u>64,803</u>	<u>\$64,374</u>
<u>Liabilities:</u>		
Due to Students	<u>0</u>	<u>\$64,374</u>
<u>Net Position:</u>		
Held in Trust for Scholarships	<u>\$64,803</u>	

See Accompanying Notes to the Basic Financial Statements

Rossford Exempted Village School District
Statement of Change in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2013

	<u>Private Purpose Trust</u>
<u>Additions:</u>	
Gifts and Donations	\$12,927
<u>Deductions:</u>	
Non-Instructional Services	<u>6,164</u>
Change in Net Position	6,763
Net Position at Beginning of Year	<u>58,040</u>
Net Position at End of Year	<u><u>\$64,803</u></u>

See Accompanying Notes to the Basic Financial Statements

Note 1 - Description of the School District and Reporting Entity

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

The School District is the 329th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by ninety-five classified employees, one hundred thirty certified teaching personnel, and twelve administrative employees who provide services to one thousand eight hundred sixty-eight students and other community members. The School District currently operates five instructional buildings.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Rossford Exempted Village School District.

The School District’s reporting entity includes the following:

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

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

Note 2 - Summary of Significant Accounting Policies

The basic financial statements of Rossford Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental Funds

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

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

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

Fiduciary Funds

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

C. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Note 2 - Summary of Significant Accounting Policies (continued)

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. The School District did not report any deferred outflows of resources for fiscal year 2013.

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources consists of property taxes, payment in lieu of taxes, and unavailable revenue. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

Expenses/Expenditures

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

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

E. Budgetary Process

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

F. Cash and Investments

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

During fiscal year 2013, investments consisted of federal agency securities, common stock, and STAR Ohio. Investments are reported at fair value, which is based on quoted market price or current share price. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2013.

The Board of Education allocates interest according to State statute.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

I. Restricted Assets

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

J. Capital Assets

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

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

K. Interfund Assets/Liabilities

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

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

Net position represents the difference between all other elements on the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations and federal and state grants. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balance Reserves

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

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

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

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

Assigned - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

P. Interfund Transactions

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

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

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

Q. Estimates

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

Note 3 - Change in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", Statement No. 61, "The Financial Reporting Entity: Omnibus", Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements", Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", Statement No. 65, "Items Previously Reported as Assets and Liabilities", and Statement No. 66, "Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62".

Note 3 - Change in Accounting Principles (continued)

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements which are a type of public-public or public-private partnership. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity and the financial reporting entity display and disclosure requirements. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 62 incorporates into GASB's authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change to the School District's financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related note disclosures. These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position and/or fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets or liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets or liabilities as inflows of resources (revenues) or outflows of resources (expenses or expenditures). These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position and/or fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and, thereby, enhance the usefulness of the financial reports. The implementation of this statement did not result in any change to the School District's financial statements.

Note 4 - Accountability

At June 30, 2013, the Food Service, Auxiliary Services, Education Management Information System, Title VI-B, Race to the Top, and Early Childhood Preschool special revenue funds had deficit fund balances, in the amount of \$59,382, \$2,871, \$30, \$773, \$6, and \$305, respectively, resulting from adjustments for accrued liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 5 - Budgetary Basis of Accounting

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

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

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

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

Changes in Fund Balance

GAAP Basis	\$216,182
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2012, Received in Cash FY 2013	1,592,141
Accrued FY 2013, Not Yet Received in Cash	(3,116,374)
Expenditure Accruals:	
Accrued FY 2012, Paid in Cash FY 2013	(3,328,205)
Accrued FY 2013, Not Yet Paid in Cash	3,137,298
	(continued)

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 5 - Budgetary Basis of Accounting (continued)

Changes in Fund Balance
(continued)

Cash Adjustments:	
Unrecorded Activity FY 2012	\$8,716
Unrecorded Activity FY 2013	41,074
Prepaid Items	(4,485)
Advances In	52,998
Advances Out	(5,955)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(270,982)
Budget Basis	<u><u>(\$1,677,592)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 6 - Deposits and Investments (continued)

3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers' acceptances if training requirements have been met.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$2,569,848 of the School District's bank balance of \$3,071,523 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least 105 percent of the deposits being secured.

Investments

As of June 30, 2013, the School District had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
Federal National Mortgage Association Notes	\$977,460	10/25/17
Federal National Mortgage Association Notes	1,213,313	5/21/18
STAR Ohio	4,592,967	Average 58 days
Common Stock	404	
Total Investments	<u>\$6,784,144</u>	

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 6 - Deposits and Investments (continued)

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

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

At June 30, 2013, the School District had \$404, held within a student-managed activity fund (Stock Club), invested by the students in common stock.

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

	Fair Value	Percentage of Portfolio
Federal National Mortgage Association Notes	\$2,190,773	32.3%

Note 7 - Receivables

Receivables at June 30, 2013, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities	
General Fund	
State of Ohio	\$63,702
State Teachers Retirement System of Ohio	308
Penta Career Center	5,210
Total General Fund	69,220

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 7 - Receivables (continued)

	<u>Amount</u>
Other Governmental Funds	
Title VI-B	\$119,845
Title I	97,611
Early Childhood Preschool	4,313
Title II-A	109,079
Total Other Governmental Funds	<u>330,848</u>
Total Governmental Activities	<u>\$400,068</u>

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of June 30, 2013, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and are reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 8 - Property Taxes (continued)

The amount available as an advance at June 30, 2013, was \$3,038,281 in the General Fund. The amount available as an advance at June 30, 2012, was \$1,370,835 in the General Fund.

On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue. On a modified accrual basis, the revenue has been recorded as deferred inflows of resources - unavailable revenue.

The assessed values upon which fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$177,677,810	52.84%	\$177,709,890	50.69%
Industrial/Commercial	150,978,580	44.90	164,411,850	46.90
Public Utility	7,589,320	2.26	8,441,690	2.41
Total Assessed Value	<u>\$336,245,710</u>	<u>100.00%</u>	<u>\$350,563,430</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$52.30		\$52.30	

Note 9 - Payment in Lieu of Taxes

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

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	Balance at 6/30/12	Additions	Reductions	Balance at 6/30/13
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$1,202,221	\$0	\$0	\$1,202,221

(continued)

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 10 - Capital Assets (continued)

	Balance at 6/30/12	Additions	Reductions	Balance at 6/30/13
Depreciable Capital Assets				
Land Improvements	\$6,500,794	\$0	\$0	\$6,500,794
Buildings and Building Improvements	9,543,098	25,739	(76,058)	9,492,779
Furniture, Fixtures, and Equipment	1,756,965	16,536	0	1,773,501
Vehicles	1,574,377	83,951	(231,846)	1,426,482
Total Depreciable Capital Assets	<u>19,375,234</u>	<u>126,226</u>	<u>(307,904)</u>	<u>19,193,556</u>
Less Accumulated Depreciation				
Land Improvements	(1,259,091)	(276,773)	0	(1,535,864)
Buildings and Building Improvements	(6,548,280)	(181,209)	76,058	(6,653,431)
Furniture, Fixtures, and Equipment	(1,448,068)	(57,066)	0	(1,505,134)
Vehicles	(921,790)	(82,933)	231,590	(773,133)
Total Accumulated Depreciation	<u>(10,177,229)</u>	<u>(597,981)</u>	<u>307,648</u>	<u>(10,467,562)</u>
Depreciable Capital Assets, Net	<u>9,198,005</u>	<u>(471,755)</u>	<u>(256)</u>	<u>8,725,994</u>
Governmental Activities Capital Assets, Net	<u>\$10,400,226</u>	<u>(\$471,755)</u>	<u>(\$256)</u>	<u>\$9,928,215</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$94,496
Special	27,465
Vocational	2,570
Support Services:	
Pupils	4,870
Instructional Staff	9,995
Administration	27,822
Fiscal	2,635
Operation and Maintenance of Plant	38,684
Pupil Transportation	79,536
Central	1,196
Non-Instructional Services	22,870
Extracurricular Activities	285,842
Total Depreciation Expense	<u>\$597,981</u>

Note 11 - Interfund Assets/Liabilities

At June 30, 2013, the General Fund had an interfund receivable from other governmental funds, in the amount of \$8,819; \$5,955 for short-term loans made to those funds and \$2,864 for services provided.

Note 12 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan is as follows:

Buildings and Contents - replacement cost	\$63,083,189
Automobile Liability	3,000,000
General School District Liability	
Per Occurrence	3,000,000
Total per Year	5,000,000

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

For fiscal year 2013, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

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

For fiscal year 2013, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

Note 13 - Defined Benefit Pension Plans

A. State Teachers Retirement System

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

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

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the STRS Ohio Board upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased 1 percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations

The School District's required contribution to STRS Ohio for the DBP and for the defined benefit portion of the CP were \$1,406,646 and \$29,184 for the fiscal year ended June 30, 2013, \$1,461,293 and \$27,310 for the fiscal year ended June 30, 2012, and \$1,417,391 and \$24,010 for the fiscal year ended June 30, 2011. For fiscal year 2013, 82 percent has been contributed for both the DBP and CP, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The contribution to STRS Ohio for the DCP for fiscal year 2013 was \$4,673 made by the School District and \$3,338 made by the plan members. In addition, member contributions of \$20,845 were made for fiscal year 2013 for the defined contribution portion of the CP.

Note 13 - Defined Benefit Pension Plans (continued)

B. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirement of plan members and employers is established and may be amended by the SERS Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the system's funds (pension trust fund, death benefit fund, Medicare B fund, and health care fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.1 percent. The remaining .9 percent of the 14 percent employer contribution rate was allocated to the Medicare B and health care funds. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 was \$409,101, \$409,295, and \$380,603, respectively. For fiscal year 2013, 53 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2013, one of the Board of Education members has elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 14 - Postemployment Benefits

A. State Teachers Retirement System

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

Note 14 - Postemployment Benefits (continued)

Funding Policy - Chapter 3307 of the Ohio Revised Code authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to postemployment health care. The School District's contribution for health care for the fiscal years ended June 30, 2013, 2012, and 2011 was \$110,808, \$114,737, and \$111,476, respectively. For fiscal year 2013, 82 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

B. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained by visiting the SERS website at www.ohsers.org under employers/audit resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, .16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2013, this amount was \$20,525. For fiscal year 2013, the School District paid \$66,151 in surcharge.

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

The School District's contribution for health care for the fiscal years ended June 30, 2013, 2012, and 2011 was \$4,997, \$17,725, and \$46,085, respectively. For fiscal year 2013, 53 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2013, this actuarially required allocation was .74 percent of covered payroll. The School District's contribution for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 was \$23,110, \$24,171, and \$24,493, respectively. For fiscal year 2013, 53 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Note 15 - Other Employee Benefits

A. Compensated Absences

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

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

B. Health Care Benefits

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

C. Separation Benefits

The School District provides a separation benefit to eligible certified employees. A full-time employee eligible to retire under the provisions of the State Teachers Retirement System that has five years of service with the School District will be paid a \$15,000 severance bonus plus and an additional \$5,000 for each of the four years following retirement if notification of pending retirement is submitted in writing to the Superintendent no later than April 1 for retirement effective at the end of the current school year or prior to the following school year. At June 30, 2012, the School District had a liability for separation benefits of \$243,306. During fiscal year 2013, the School District had additional separation benefits of \$163,306 and paid \$83,306 in separation benefits. At June 30, 2013, the School District had a liability for separation benefits of \$323,306.

Note 16 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2013 were as follows:

	Balance at 6/30/12	Additions	Reductions	Balance at 6/30/13	Amounts Due Within One Year
Governmental Activities					
General Long-Term Obligations					
Compensated Absences Payable	\$1,770,835	\$289,211	\$306,816	\$1,753,230	\$100,561

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

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 16 - Long-Term Obligations (continued)

The School District's overall debt margin was \$30,809,058 with an unvoted debt margin of \$342,323 at June 30, 2013.

Note 17 - Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balance	General	Other Governmental	Total Governmental Funds
Nonspendable for:			
Materials and Supplies Inventory	\$0	\$2,144	\$2,144
Prepaid Items	59,231	0	59,231
Total Nonspendable	59,231	2,144	61,375
Restricted for:			
Athletics and Music	0	62,157	62,157
Building Construction	0	8,311	8,311
Capital Improvements	1,941,941	0	1,941,941
Debt Retirement	0	85,887	85,887
Facilities Maintenance	0	11,208	11,208
Food Service Operations	15,054	0	15,054
Non-Instructional Services	1,330	0	1,330
Regular Instruction	0	3,017	3,017
Special Instruction	0	8,637	8,637
Total Restricted	1,958,325	179,217	2,137,542
Assigned for:			
Educational Activities	59,615	0	59,615
Unpaid Obligations	243,731	0	243,731
Total Assigned	303,346	0	303,346
Unassigned (Deficit)	6,161,437	(65,511)	6,095,926
Total Fund Balance	\$8,482,339	\$115,850	\$8,598,189

Rossford Exempted Village School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 18 - Set Asides

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years. The following cash basis information identifies the change in the fund balance reserve for capital improvements during fiscal year 2013.

Balance June 30, 2012	\$1,722,566
Current Year Set Aside Requirement	313,428
Qualifying Expenditures	(96,072)
Reserve Balance June 30, 2013	<u>\$1,939,922</u>

Note 19 - Interfund Transfers

During fiscal year 2013, the General Fund made transfers to other government funds, in the amount of \$77,000, to subsidize operations of other funds.

Note 20 - Jointly Governed Organizations

A. Northwest Ohio Computer Association

The School District is a participant in the Northwest Ohio Computer Association (NWOCA), which is a computer consortium. NWOCA is an association of educational entities within the boundaries of Defiance, Fulton, Henry, Lucas, Williams, and Wood Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member educational entities. The NWOCA Assembly consists of the superintendent from each participating educational entity and a representative from the fiscal agent. The Assembly elects the governing Council of two representatives from each of the six counties in which member educational entities are located and the representative from the member educational entity serving as fiscal agent for NWOCA. The degree of control exercised by any participating educational entity is limited to its representation on the Board. During fiscal year 2013, the School District paid \$115,606 to NWOCA for various services. Financial information can be obtained from the Northwest Ohio Computer Association, 209 Nolan Parkway, Archbold, Ohio 43502.

B. Penta Career Center

The Penta Career Center (Career Center) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of nine board members appointed from participating School Districts' or Educational Service Centers' elected Board of Education. The Board consists of one representative from each exempted village and/or city school district: Bowling Green, Maumee, Perrysburg, and Rossford; one representative from each of the three least populous counties: Fulton, Ottawa, and Sandusky; and one representative from each of the most populous counties: Lucas and Wood. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Penta Career Center, 9301 Buck Road, Perrysburg, Ohio 43551.

Note 20 - Jointly Governed Organizations (continued)

C. Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials, and provide opportunities for training. The NOERC serves a twenty-five county area in Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools, and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., 441 East Market Street, Celina, Ohio, 45822.

Note 21 - Insurance Pools

A. Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a twelve member board consisting of individual representatives from various plan members. Hylant Administrative Services is the Plan's administrator and is responsible for processing claims, sales, and customer service. Financial information can be obtained from the Hylant Administrative Services, LLC, 811 Madison Avenue, Toledo, Ohio 43624.

B. Wood County Schools Benefit Plan Association

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

Each member decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Association is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Huntington Bank, Dena Best, 236 South Main Street, Findlay, Ohio 45840.

Note 21 - Insurance Pools (continued)

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

The School District participates in a group rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool.

The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 22 - Related Organization

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

Note 23 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2013.

B. Litigation

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

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Federal Receipts	Federal Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
<u>Child Nutrition Cluster</u>			
School Breakfast Program	10.553	\$64,803	\$64,803
Special Milk Program for Children	10.556	560	560
National School Lunch Program:			
Cash Assistance	10.555	318,972	318,972
Non-cash Assistance (Commodities)	10.555	56,050	56,050
Total National School Lunch Program		<u>375,022</u>	<u>375,022</u>
Total U.S. Department of Agriculture		<u>440,385</u>	<u>440,385</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	397,530	386,811
Education Technology State Grants	84.318	2,052	2,052
Improving Teacher Quality State Grants	84.367	32,214	30,566
<u>Special Education Cluster</u>			
Special Education Grants to States	84.027	467,073	417,761
Special Education Preschool Grants	84.173	13,569	11,897
Total Special Education Cluster		<u>480,642</u>	<u>429,658</u>
ARRA - Race To the Top	84.395	2,450	2,450
Total U.S. Department of Education		<u>914,888</u>	<u>851,537</u>
Total Federal Awards Receipts and Expenditures		<u>\$1,355,273</u>	<u>\$1,291,922</u>

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460-1247

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Rossford Exempted Village School District, Wood County, Ohio (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 19, 2014. We also noted the District implemented Governmental Accounting Standards Board (GASB) Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial

statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

February 19, 2014



Dave Yost • Auditor of State

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

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460-1247

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Rossford Exempted Village School District's, Wood County, Ohio (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Rossford Exempted Village School District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, Rossford Exempted Village School District, Wood County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

February 19, 2014

**ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT
WOOD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Rossford Exempted Village School District
Wood County
601 Superior Street
Rossford, Ohio 43460-1247

To the Board of Education:

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

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

We noted the Board amended its anti-harassment policy at its meeting on July 30, 2012, to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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

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

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

Dave Yost
Auditor of State

February 19, 2014

This page intentionally left blank.



Dave Yost • Auditor of State

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

WOOD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 6, 2014**