

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS  
(AUDITED)***

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

**BRENDA SCHWAMBERGER, TREASURER**





Mary Taylor, CPA  
Auditor of State

Board of Education  
Plymouth Shiloh Local School District  
365 Sandusky St.  
Plymouth, Ohio 44865

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

December 22, 2008

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**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### Independent Auditor's Report

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky St.  
Plymouth, Ohio 44865

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

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

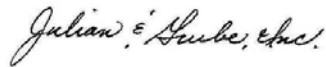
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plymouth-Shiloh Local School District, Richland County, Ohio, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of Plymouth-Shiloh Local School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditor's Report  
Plymouth-Shiloh Local School District  
Page Two

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Plymouth-Shiloh Local School District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Plymouth-Shiloh Local School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.



Julian & Grube, Inc.  
December 12, 2008



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The management's discussion and analysis of Plymouth-Shiloh Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2008 are as follows:

- In total, net assets increased \$256,874. Net assets of governmental activities increased \$256,746, which represents a 1.06% increase from 2007. Net assets of business-type activities increased \$128 or .24% from 2007.
- General governmental revenues accounted for \$7,652,536 in revenue or 77.58% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,211,387 or 22.42% of total revenues of \$9,863,923.
- The District had \$9,607,177 in expenses related to governmental activities; only \$2,211,387 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$7,652,536 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and classroom facilities fund. The general fund had \$8,625,473 in revenues and other financing sources and \$8,648,888 in expenditures and other financing uses. The general fund's fund balance decreased \$23,415 from \$2,249,616 to \$2,226,201.
- The classroom facilities fund had \$5,591,917 in revenues and other financing sources and \$6,129,062 in expenditures. The classroom facilities fund's fund balance decreased \$537,145 from \$2,510,214 to \$1,973,069.
- Net assets for the District's enterprise fund increased \$128. The special enterprises fund had \$14,388 in revenues and \$14,260 in expenses.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *statement of net assets* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and classroom facilities fund are by far the most significant funds, and the only governmental funds reported as major funds.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Reporting the District as a Whole**

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net assets and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's special enterprises operations are reported as business activities.

The District's statement of net assets and statement of activities can be found on pages 15-17 of this report.

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

*Fund Financial Statements*

The analysis of the District's major governmental funds and the analysis of the District's nonmajor enterprise fund begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and classroom facilities fund.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *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 District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 18-22 of this report.

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in an agency fund. The District's fiduciary activities are reported in a separate statement of fiduciary net assets on page 26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-59 of this report.

**The District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2008 and 2007.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>						
Current assets	\$ 10,225,667	\$ 16,746,038	\$ 53,031	\$ 53,108	\$ 10,278,698	\$ 16,799,146
Capital assets, net	<u>19,646,341</u>	<u>13,086,882</u>	<u>-</u>	<u>-</u>	<u>19,646,341</u>	<u>13,086,882</u>
Total assets	<u>29,872,008</u>	<u>29,832,920</u>	<u>53,031</u>	<u>53,108</u>	<u>29,925,039</u>	<u>29,886,028</u>
<b><u>Liabilities</u></b>						
Current liabilities	2,856,823	3,430,601	525	730	2,857,348	3,431,331
Long-term liabilities	<u>2,631,224</u>	<u>2,275,104</u>	<u>-</u>	<u>-</u>	<u>2,631,224</u>	<u>2,275,104</u>
Total liabilities	<u>5,488,047</u>	<u>5,705,705</u>	<u>525</u>	<u>730</u>	<u>5,488,572</u>	<u>5,706,435</u>
<b><u>Net Assets</u></b>						
Invested in capital assets, net of debt	17,816,339	11,646,880	-	-	17,816,339	11,646,880
Restricted	4,418,396	10,422,215	-	-	4,418,396	10,422,215
Unrestricted	<u>2,149,226</u>	<u>2,058,120</u>	<u>52,506</u>	<u>52,378</u>	<u>2,201,732</u>	<u>2,110,498</u>
Total net assets	<u>\$ 24,383,961</u>	<u>\$ 24,127,215</u>	<u>\$ 52,506</u>	<u>\$ 52,378</u>	<u>\$ 24,436,467</u>	<u>\$ 24,179,593</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$24,436,467, \$24,383,961 of this total is in governmental activities and \$52,506 is in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the District's net assets. At year-end, capital assets represented 65.65% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, were \$17,816,339 in the governmental activities. These capital assets are used to provide services to students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of June 30, 2008, the District is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

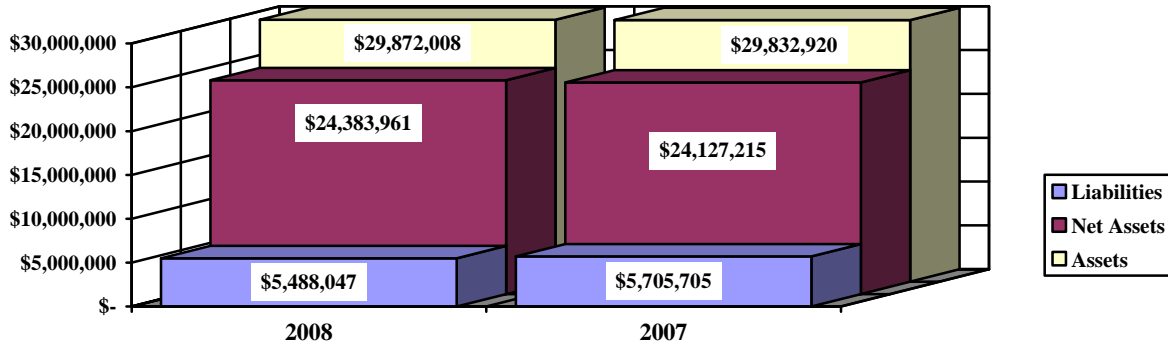
A portion of the District's net assets, \$4,418,396, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net assets of \$2,149,226 may be used to meet the District's ongoing obligations to the students and creditors.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

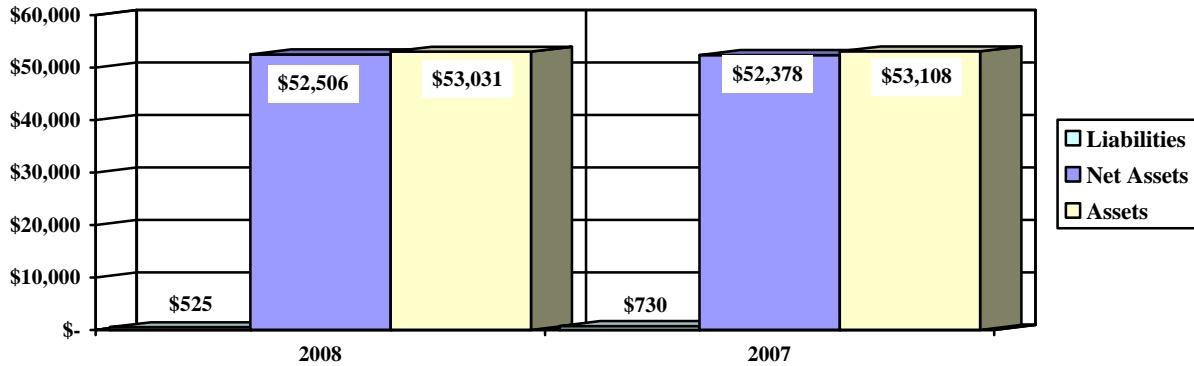
This table below provides a summary of the District's governmental net assets for 2008 and 2007.

**Governmental - Net Assets**



This table below provides a summary of the District's business-type net assets for 2008 and 2007.

**Business-Type - Net Assets**



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The table below shows the change in net assets for governmental activities and business-type activities fiscal year 2008 and 2007.

	<b>Change in Net Assets</b>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services and sales	\$ 714,153	\$ 827,274	\$ 14,388	\$ 6,618	\$ 728,541	\$ 833,892
Operating grants and contributions	1,491,035	1,424,780	-	-	1,491,035	1,424,780
Capital grants and contributions	6,199	8,573	-	-	6,199	8,573
General revenues:						
Property taxes	1,821,590	1,769,999	-	-	1,821,590	1,769,999
Income taxes	776,972	783,174	-	-	776,972	783,174
Grants and entitlements	4,740,904	12,978,287	-	-	4,740,904	12,978,287
Investment earnings	271,728	337,213	-	-	271,728	337,213
Other	<u>41,342</u>	<u>4,972</u>	<u>-</u>	<u>-</u>	<u>41,342</u>	<u>4,972</u>
Total revenues	<u>9,863,923</u>	<u>18,134,272</u>	<u>14,388</u>	<u>6,618</u>	<u>9,878,311</u>	<u>18,140,890</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Change in Net Assets</b>					
	Governmental Activities		Business-Type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b><u>Expenses</u></b>						
Program expenses:						
Instruction:						
Regular	3,603,615	3,573,400	-	-	3,603,615	3,573,400
Special	940,954	772,679	-	-	940,954	772,679
Vocational	203,438	153,876	-	-	203,438	153,876
Other	420,955	358,515	-	-	420,955	358,515
Support services:						
Pupil	445,507	423,319	-	-	445,507	423,319
Instructional staff	432,584	441,000	-	-	432,584	441,000
Board of Education	19,016	23,109	-	-	19,016	23,109
Administration	817,118	835,641	-	-	817,118	835,641
Fiscal	253,512	197,677	-	-	253,512	197,677
Business	11,451	8,436	-	-	11,451	8,436
Operations and maintenance	969,002	954,622	-	-	969,002	954,622
Pupil transportation	457,614	394,030	-	-	457,614	394,030
Central	54,758	57,259	-	-	54,758	57,259
Food service	520,510	491,964	-	-	520,510	491,964
Extracurricular activities	344,668	317,381	-	-	344,668	317,381
Interest and fiscal charges	112,475	82,527	-	-	112,475	82,527
Special enterprises	-	-	14,260	3,407	14,260	3,407
Total expenses	<u>9,607,177</u>	<u>9,085,435</u>	<u>14,260</u>	<u>3,407</u>	<u>9,621,437</u>	<u>9,088,842</u>
Changes in net assets	256,746	9,048,837	128	3,211	256,874	9,052,048
Net assets at beginning of year	<u>24,127,215</u>	<u>15,078,378</u>	<u>52,378</u>	<u>49,167</u>	<u>24,179,593</u>	<u>15,127,545</u>
Net assets at end of year	<u>\$ 24,383,961</u>	<u>\$ 24,127,215</u>	<u>\$ 52,506</u>	<u>\$ 52,378</u>	<u>\$ 24,436,467</u>	<u>\$ 24,179,593</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$256,746. Total governmental expenses of \$9,607,177 were offset by program revenues of \$2,211,387 and general revenues of \$7,652,536. Program revenues supported 23.02% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 74.41% of total governmental revenues. In fiscal year 2007 the District received \$8,212,543 in grants and entitlements from the Ohio School Facilities Commission for District construction projects. Real estate property is reappraised every six years.

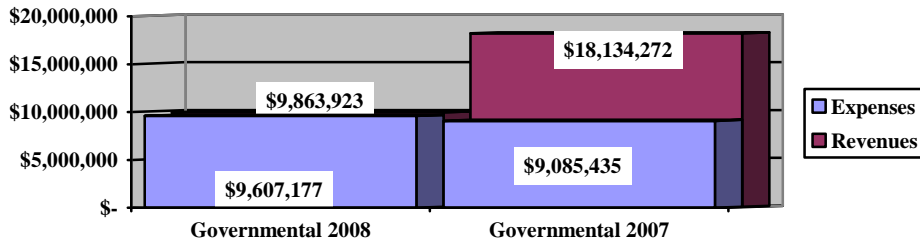
The largest expense of the District is for instructional programs. Instruction expenses totaled \$5,168,962 or 53.80% of total governmental expenses for fiscal 2008.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2008 and 2007.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2008 and 2007. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	<b>Governmental Activities</b>			
	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Program expenses:				
Instruction:				
Regular	3,603,615	\$ 2,897,568	\$ 3,573,400	\$ 2,813,672
Special	940,954	254,715	772,679	199,845
Vocational	203,438	146,322	153,876	93,079
Other	420,955	420,955	358,515	358,515
Support services:				
Pupil	445,507	428,525	423,319	407,568
Instructional staff	432,584	305,209	441,000	230,764
Board of Education	19,016	19,016	23,109	23,109
Administration	817,118	781,903	835,641	792,206
Fiscal	253,512	253,255	197,677	196,958
Business	11,451	11,451	8,436	8,436
Operations and maintenance	969,002	937,416	954,622	923,376
Pupil transportation	457,614	433,484	394,030	368,934
Central	54,758	42,896	57,259	45,259
Food service	520,510	76,578	491,964	40,533
Extracurricular activities	344,668	274,022	317,381	240,027
Interest and fiscal charges	112,475	112,475	82,527	82,527
<b>Total expenses</b>	<u>\$ 9,607,177</u>	<u>\$ 7,395,790</u>	<u>\$ 9,085,435</u>	<u>\$ 6,824,808</u>

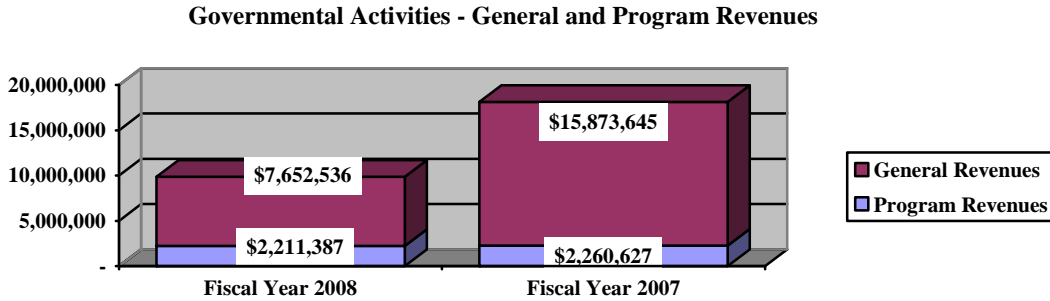
The dependence upon tax revenues during fiscal year 2008 for governmental activities is apparent, as 71.96% of 2008 instruction activities are supported through taxes and other general revenues. General revenue support for all governmental activities was 76.98% in 2008.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The graph below presents the District's governmental activities revenue for fiscal year 2008 and 2007.



**Business-Type Activities**

Business-type activities include the nonmajor special enterprises operation. This program had operating revenues of \$14,388 and operating expenses of \$14,260 for fiscal year 2008. The District's business activities receive no support from tax revenues.

**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page 18) reported a combined fund balance of \$4,921,821, which is lower than last year's total of \$5,550,565. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance <u>June 30, 2008</u>	Fund Balance <u>June 30, 2007</u>	<u>(Decrease)</u>
General	\$ 2,226,201	\$ 2,249,616	\$ (23,415)
Classroom Facilities	1,973,069	2,510,214	(537,145)
Other Governmental	<u>722,551</u>	<u>740,735</u>	<u>(18,184)</u>
Total	<u>\$ 4,921,821</u>	<u>\$ 5,500,565</u>	<u>\$ (578,744)</u>

**General Fund**

The District's general fund balance decreased \$23,415. Tax revenues increased 1.37%. This increase is the result of a larger amount of taxes being collected by the County Auditors and available as an advance at fiscal year end. These amounts available for advance at year end are recorded as revenue. The amounts available as an advance at year-end can vary depending upon when tax bills are sent out by the County Auditor (see Note 6). The amounts that were available for advance in the general fund at June 30, 2008 and 2007 were \$276,469 and \$223,003, respectively. Earnings on investments decreased 7.12% due to lower interest rates earned on investments. Instructional expenditures and support services expenditures increased 4.25% and 4.81% respectively, which can be attributed to normal and customary increases in wages and benefits. Debt service expenditures increased due to the District entering into a new lease-purchase agreement. Facilities acquisition and construction increased due to the purchase of land.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

	<u>2008</u> <u>Amount</u>	<u>2007</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,339,257	\$ 2,307,736	1.37 %
Tuition	401,858	445,883	(9.87) %
Interest earnings	167,611	180,456	(7.12) %
Intergovernmental	5,204,992	5,186,235	0.36 %
Other revenues	<u>51,755</u>	<u>76,155</u>	(32.04) %
 Total	 <u>\$ 8,165,473</u>	 <u>\$ 8,196,465</u>	 (0.38) %
 <b><u>Expenditures</u></b>			
Instruction	\$ 4,314,264	\$ 4,138,324	4.25 %
Support services	3,045,349	2,905,691	4.81 %
Extracurricular activities	212,629	204,906	3.77 %
Facilities acquisition and construction	850,000	34,291	2,378.78 %
Debt service	<u>64,557</u>	<u>52,618</u>	22.69 %
 Total	 <u>\$ 8,486,799</u>	 <u>\$ 7,335,830</u>	 15.69 %

***Classroom Facilities Fund***

The classroom facilities fund had \$5,591,917 in revenues and other financing sources and \$6,129,062 in expenditures. The classroom facilities fund's fund balance decreased \$537,145 from \$2,510,214 to \$1,973,069. The decrease in fund balance was due to construction expenditures related to District building projects.

***General Fund Budgeting Highlights***

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

During the course of fiscal 2008, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, final budgeted revenues and other financing sources were \$678, above original budgeted revenues estimates of \$8,015,349. Actual revenues and other financing sources for fiscal 2008 was \$8,651,014. This represents a \$634,987 increase over final budgeted revenues.

General fund original and final appropriations (appropriated expenditures including other financing uses) were \$8,789,835. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$8,746,443, which was \$43,392 less than the final budget appropriations.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2008, the District had \$19,646,341 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. This total amount was reported in governmental activities. The following table shows fiscal 2008 balances compared to 2007:

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2008	2007
Land	\$ 914,810	\$ 64,810
Construction in progress	7,824,890	1,699,813
Land improvements	276,826	309,371
Building and improvements	10,177,583	10,487,191
Furniture and equipment	294,124	326,690
Vehicles	158,108	199,007
Total	\$ 19,646,341	\$ 13,086,882

The overall increase in capital assets of \$6,559,459 is due to capital outlays of \$7,000,076 exceeding depreciation expense of \$424,748 in the fiscal year. Total disposals to capital assets for 2008 were \$15,869 (net of accumulated depreciation).

See Note 9 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2008 the District had \$1,389,263 in general obligation bonds, \$756,000 in lease-purchase agreements, and \$21,593 in capital leases outstanding. Of this total, \$111,593 is due within one year and \$2,055,263 is due within greater than one year. The following table summarizes the bonds and leases outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities	Governmental Activities
	2008	2007
General obligation bonds	\$ 1,389,263	\$ 1,446,233
Lease-purchase agreement	756,000	301,000
Capital lease	21,593	51,904
Total	\$ 2,166,856	\$ 1,799,137

At June 30, 2008 the District's overall legal debt margin was \$4,942,863 with an unvoted debt margin of \$67,472. See Note 12 to the basic financial statements for additional information on the District's debt administration.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Current Financial Related Activities**

The District has carefully managed its general fund budget in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed from the community's citizens. Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a healthy cash balance while continuing to utilize the same levy dollars originally passed in 1992.

The District is committed to living within its financial means, while continuing to maintain the highest standards of service to our students, parents and community. However, the future financial stability of the District is not without challenges.

Declining enrollment over the past years is a trend that has received, and will continue to receive, the attention of the Board and Administration. Reduced student counts lead to staffing cuts, excess building capacity, and less state funding. Each of these factors negatively impacts the operations of the District.

The District will have the resources necessary to meet operating expenses in fiscal year 2009 and has renewed their 4.8 mil emergency levy renewal in order to provide financial stability over the next five years.

The District has anticipated no growth in State revenue. The concern is that, to meet the requirements of the court, the State may not have adequate resources to provide the financial needs of the District. As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the student's desired needs over the next several years.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Brenda J. Schwamberger, Treasurer, Plymouth-Shiloh Local School District, 365 Sandusky Street, Plymouth, Ohio 44865.

**BASIC  
FINANCIAL STATEMENTS**

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**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . .	\$ 4,613,931	\$ 53,031	\$ 4,666,962
Cash with escrow agent . . . . .	426,836	-	426,836
Investments . . . . .	872,925	-	872,925
Receivables:			
Taxes . . . . .	2,341,536	-	2,341,536
Accounts . . . . .	225	-	225
Intergovernmental . . . . .	1,903,175	-	1,903,175
Accrued interest . . . . .	155	-	155
Prepayments . . . . .	13,890	-	13,890
Materials and supplies inventory . . . . .	29,014	-	29,014
Unamortized bond issue costs . . . . .	23,980	-	23,980
Capital assets:			
Land . . . . .	914,810	-	914,810
Construction in progress. . . . .	7,824,890	-	7,824,890
Depreciable capital assets, net . . . . .	10,906,641	-	10,906,641
Capital assets, net. . . . .	<u>19,646,341</u>	<u>-</u>	<u>19,646,341</u>
Total assets . . . . .	<u>29,872,008</u>	<u>53,031</u>	<u>29,925,039</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	116,970	525	117,495
Contracts payable. . . . .	318,500	-	318,500
Retainage payable. . . . .	125,456	-	125,456
Claims payable . . . . .	7,000	-	7,000
Accrued wages and benefits . . . . .	755,203	-	755,203
Pension obligation payable . . . . .	180,816	-	180,816
Intergovernmental payable . . . . .	143,770	-	143,770
Unearned revenue. . . . .	1,204,412	-	1,204,412
Accrued interest payable . . . . .	4,696	-	4,696
Long-term liabilities:			
Due within one year. . . . .	166,171	-	166,171
Due in more than one year . . . . .	2,465,053	-	2,465,053
Total liabilities . . . . .	<u>5,488,047</u>	<u>525</u>	<u>5,488,572</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt. . . . .	17,816,339	-	17,816,339
Restricted for:			
Capital projects . . . . .	3,868,927	-	3,868,927
Debt service. . . . .	281,416	-	281,416
Classroom facilities maintenance . . . . .	148,587	-	148,587
Locally funded programs . . . . .	708	-	708
State funded programs . . . . .	5,739	-	5,739
Federally funded programs . . . . .	8,703	-	8,703
Student activities . . . . .	39,159	-	39,159
Other purposes . . . . .	65,157	-	65,157
Unrestricted . . . . .	<u>2,149,226</u>	<u>52,506</u>	<u>2,201,732</u>
Total net assets. . . . .	<u>\$ 24,383,961</u>	<u>\$ 52,506</u>	<u>\$ 24,436,467</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Instruction:				
Regular . . . . .	\$ 3,603,615	\$ 337,856	\$ 368,191	\$ -
Special . . . . .	940,954	94,888	591,351	-
Vocational . . . . .	203,438	-	57,116	-
Other . . . . .	420,955	-	-	-
Support services:				
Pupil. . . . .	445,507	-	16,982	-
Instructional staff . . . . .	432,584	-	127,375	-
Board of education . . . . .	19,016	-	-	-
Administration . . . . .	817,118	26,853	8,362	-
Fiscal . . . . .	253,512	-	257	-
Business. . . . .	11,451	-	-	-
Operations and maintenance . . . . .	969,002	77	31,509	-
Pupil transportation. . . . .	457,614	-	17,931	6,199
Central . . . . .	54,758	-	11,862	-
Operation of non-instructional services:				
Food service operations . . . . .	520,510	185,813	258,119	-
Extracurricular activities. . . . .	344,668	68,666	1,980	-
Interest and fiscal charges . . . . .	112,475	-	-	-
Total governmental activities . . . . .	<u>9,607,177</u>	<u>714,153</u>	<u>1,491,035</u>	<u>6,199</u>
<b>Business-type activities:</b>				
Special enterprises. . . . .	<u>14,260</u>	<u>14,388</u>	<u>-</u>	<u>-</u>
Total business-type activities . . . . .	<u>14,260</u>	<u>14,388</u>	<u>-</u>	<u>-</u>
Totals . . . . .	<u>\$ 9,621,437</u>	<u>\$ 728,541</u>	<u>\$ 1,491,035</u>	<u>\$ 6,199</u>

**General Revenues:**

Property taxes levied for:

General purposes . . . . .	
Special revenue . . . . .	
Debt service. . . . .	
School district income tax . . . . .	
Grants and entitlements not restricted to specific programs. . . . .	
Investment earnings . . . . .	
Miscellaneous . . . . .	
Total general revenues . . . . .	
Change in net assets . . . . .	
<b>Net assets at beginning of year . . . . .</b>	
<b>Net assets at end of year. . . . .</b>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**Net (Expense) Revenue and Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,897,568)	\$ -	\$ (2,897,568)
(254,715)	-	(254,715)
(146,322)	-	(146,322)
(420,955)	-	(420,955)
(428,525)	-	(428,525)
(305,209)	-	(305,209)
(19,016)	-	(19,016)
(781,903)	-	(781,903)
(253,255)	-	(253,255)
(11,451)	-	(11,451)
(937,416)	-	(937,416)
(433,484)	-	(433,484)
(42,896)	-	(42,896)
(76,578)	-	(76,578)
(274,022)	-	(274,022)
(112,475)	-	(112,475)
<u>(7,395,790)</u>	<u>-</u>	<u>(7,395,790)</u>
-	128	128
-	128	128
<u>(7,395,790)</u>	<u>128</u>	<u>(7,395,662)</u>
1,661,088	-	1,661,088
25,986	-	25,986
134,516	-	134,516
776,972	-	776,972
4,740,904	-	4,740,904
271,728	-	271,728
41,342	-	41,342
<u>7,652,536</u>	<u>-</u>	<u>7,652,536</u>
256,746	128	256,874
<u>24,127,215</u>	<u>52,378</u>	<u>24,179,593</u>
<u>\$ 24,383,961</u>	<u>\$ 52,506</u>	<u>\$ 24,436,467</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008

	<u>General</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 2,225,521	\$ 1,431,006	\$ 828,471	\$ 4,484,998
Cash with escrow agent . . . . .	301,380	125,456	-	426,836
Investments . . . . .	-	872,925	-	872,925
Receivables:				
Taxes . . . . .	2,115,290	-	226,246	2,341,536
Accounts . . . . .	225	-	-	225
Intergovernmental . . . . .	-	1,802,115	101,060	1,903,175
Accrued interest . . . . .	-	155	-	155
Interfund receivable . . . . .	20,000	-	-	20,000
Prepayments . . . . .	13,553	-	337	13,890
Materials and supplies inventory . . . . .	24,396	-	4,618	29,014
Restricted assets:				
Equity in pooled cash and cash equivalents . . . . .	65,157	-	-	65,157
Total assets . . . . .	<u>\$ 4,765,522</u>	<u>\$ 4,231,657</u>	<u>\$ 1,160,732</u>	<u>\$ 10,157,911</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 55,508	\$ 5,472	\$ 55,990	\$ 116,970
Contracts payable . . . . .	-	318,500	-	318,500
Retainage payable . . . . .	-	125,456	-	125,456
Accrued wages and benefits . . . . .	664,306	-	90,897	755,203
Compensated absences payable . . . . .	2,153	-	12,257	14,410
Interfund payable. . . . .	-	-	20,000	20,000
Pension obligation payable. . . . .	153,031	-	27,785	180,816
Intergovernmental payable. . . . .	92,635	16,277	34,858	143,770
Unearned revenue . . . . .	1,064,031	-	140,381	1,204,412
Deferred revenue. . . . .	507,657	1,792,883	56,013	2,356,553
Total liabilities . . . . .	<u>2,539,321</u>	<u>2,258,588</u>	<u>438,181</u>	<u>5,236,090</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	109,631	2,685,914	107,139	2,902,684
Reserved for materials and supplies inventory. . . . .	24,396	-	4,618	29,014
Reserved for prepayments . . . . .	13,553	-	337	13,890
Reserved for debt service. . . . .	-	-	215,521	215,521
Reserved for property tax unavailable for appropriation . . . . .	276,469	-	34,619	311,088
Reserved for BWC refunds. . . . .	50,385	-	-	50,385
Reserved for school bus purchases . . . . .	14,772	-	-	14,772
Unreserved, undesignated (deficit), reported in:				
General fund . . . . .	1,736,995	-	-	1,736,995
Special revenue funds. . . . .	-	-	298,279	298,279
Capital projects funds. . . . .	-	(712,845)	62,038	(650,807)
Total fund balances. . . . .	<u>2,226,201</u>	<u>1,973,069</u>	<u>722,551</u>	<u>4,921,821</u>
Total liabilities and fund balances . . . . .	<u>\$ 4,765,522</u>	<u>\$ 4,231,657</u>	<u>\$ 1,160,732</u>	<u>\$ 10,157,911</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2008

<b>Total governmental fund balances</b>		\$ 4,921,821
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		19,646,341
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent taxes receivable	\$ 558,761	
Intergovernmental receivable	<u>1,797,792</u>	
Total		2,356,553
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		56,776
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(4,696)
Unamortized deferred charges are not recognized in the funds.		84,180
Unamortized premiums on bond issuance is not recognized in the funds.		(108,162)
Unamortized bond issuance costs are not recognized in the funds.		23,980
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(425,976)	
Lease-purchase agreement	(756,000)	
Capital lease obligation	(21,593)	
General obligation bonds payable	<u>(1,389,263)</u>	
Total		<u>(2,592,832)</u>
<b>Net assets of governmental activities</b>		<u>\$ 24,383,961</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 2,339,257	\$ -	\$ 152,915	\$ 2,492,172
Tuition. . . . .	401,858	-	-	401,858
Charges for services. . . . .	-	-	185,813	185,813
Earnings on investments. . . . .	167,611	115,933	2,779	286,323
Classroom materials and fees . . . . .	30,886	-	1,255	32,141
Extracurricular. . . . .	-	-	68,666	68,666
Other local revenues. . . . .	20,869	-	51,233	72,102
Intergovernmental - State. . . . .	5,204,992	5,389,895	152,671	10,747,558
Intergovernmental - Federal . . . . .	-	-	939,768	939,768
Total revenue . . . . .	<u>8,165,473</u>	<u>5,505,828</u>	<u>1,555,100</u>	<u>15,226,401</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	3,020,201	-	403,121	3,423,322
Special. . . . .	679,689	-	241,780	921,469
Vocational. . . . .	193,419	-	-	193,419
Other. . . . .	420,955	-	-	420,955
Support services:				
Pupil. . . . .	418,252	-	24,536	442,788
Instructional staff . . . . .	239,164	-	173,106	412,270
Board of education . . . . .	19,016	-	-	19,016
Administration. . . . .	758,940	-	45,492	804,432
Fiscal . . . . .	252,940	3,985	3,339	260,264
Business . . . . .	11,451	-	-	11,451
Operations and maintenance. . . . .	873,918	-	26,833	900,751
Pupil transportation . . . . .	428,045	-	-	428,045
Central. . . . .	43,623	-	11,148	54,771
Operation of non-instructional services:				
Food service operations . . . . .	-	-	472,073	472,073
Extracurricular activities. . . . .	212,629	-	103,761	316,390
Facilities acquisition and construction . . . . .	850,000	6,125,077	3,630	6,978,707
Debt service:				
Principal retirement . . . . .	35,311	-	70,000	105,311
Interest and fiscal charges . . . . .	29,246	-	70,465	99,711
Total expenditures . . . . .	<u>8,486,799</u>	<u>6,129,062</u>	<u>1,649,284</u>	<u>16,265,145</u>
Excess of revenues under expenditures . . . . .	<u>(321,326)</u>	<u>(623,234)</u>	<u>(94,184)</u>	<u>(1,038,744)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	86,089	76,000	162,089
Transfers (out). . . . .	(162,089)	-	-	(162,089)
Lease-purchase transaction . . . . .	460,000	-	-	460,000
Total other financing sources . . . . .	<u>297,911</u>	<u>86,089</u>	<u>76,000</u>	<u>460,000</u>
Net change in fund balances . . . . .	(23,415)	(537,145)	(18,184)	(578,744)
<b>Fund balances at beginning of year . . . . .</b>	<u>2,249,616</u>	<u>2,510,214</u>	<u>740,735</u>	<u>5,500,565</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 2,226,201</u>	<u>\$ 1,973,069</u>	<u>\$ 722,551</u>	<u>\$ 4,921,821</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**Net change in fund balances - total governmental funds** \$ (578,744)

*Amounts reported for governmental activities in the statement of activities are different because:*

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

Capital asset additions	\$	7,000,076	
Current year depreciation		(424,748)	
Total			6,575,328

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (15,869)

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

Taxes		106,390	
Intergovernmental revenue		(5,457,052)	
Accrued interest		(11,816)	
Total			(5,362,478)

Lease-purchase transactions are recorded as an other financing source in the funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets (460,000)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets 105,311

In the statement of activities, interest is accrued on outstanding bonds; whereas, in governmental funds, an interest expenditure is reported when due. The following items resulted in more interest being reported in the statement of activities:

Accrued interest		266	
Accreted interest on capital appreciation bonds		(13,030)	
Amortization of deferred charges		5,839	
Amortization of bond premium		(7,502)	
Amortization of bond issuance costs		1,663	
Total			(12,764)

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (156)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenue are eliminated. The net revenue of the internal service fund is allocated among the governmental activities. 6,118

**Change in net assets of governmental activities** \$ 256,746

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 2,126,746	\$ 2,126,746	\$ 2,343,135	\$ 216,389
Tuition . . . . .	414,000	414,000	401,858	(12,142)
Earnings on investments . . . . .	157,241	157,241	167,611	10,370
Classroom materials and fees . . . . .	28,250	28,250	30,661	2,411
Other local revenues . . . . .	15,075	15,075	7,827	(7,248)
Intergovernmental - State. . . . .	<u>5,254,715</u>	<u>5,254,715</u>	<u>5,204,993</u>	<u>(49,722)</u>
Total revenue. . . . .	<u>7,996,027</u>	<u>7,996,027</u>	<u>8,156,085</u>	<u>160,058</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	3,111,760	3,111,760	3,086,313	25,447
Special. . . . .	771,214	771,214	689,710	81,504
Vocational. . . . .	192,111	192,111	192,052	59
Other. . . . .	395,131	395,131	423,549	(28,418)
Support services:				
Pupil. . . . .	483,399	483,399	431,802	51,597
Instructional staff . . . . .	298,703	298,703	250,468	48,235
Board of education . . . . .	25,309	25,309	15,007	10,302
Administration. . . . .	774,593	774,593	767,321	7,272
Fiscal . . . . .	269,232	269,232	263,045	6,187
Business . . . . .	10,430	10,430	7,568	2,862
Operations and maintenance. . . . .	885,904	885,904	892,628	(6,724)
Pupil transportation . . . . .	448,667	448,667	413,126	35,541
Central. . . . .	50,093	50,093	35,719	14,374
Extracurricular activities. . . . .	225,427	225,427	214,858	10,569
Facilities acquisition and construction. . . . .	<u>771,862</u>	<u>771,862</u>	<u>881,188</u>	<u>(109,326)</u>
Total expenditures . . . . .	<u>8,713,835</u>	<u>8,713,835</u>	<u>8,564,354</u>	<u>149,481</u>
Excess of revenues over (under) expenditures. . . . .	<u>(717,808)</u>	<u>(717,808)</u>	<u>(408,269)</u>	<u>309,539</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure. . . . .	19,322	20,000	21,887	1,887
Transfers (out) . . . . .	(76,000)	(76,000)	(162,089)	(86,089)
Advances (out) . . . . .	-	-	(20,000)	(20,000)
Lease-purchase transaction . . . . .	-	-	460,000	460,000
Sale of capital assets . . . . .	-	-	13,042	13,042
Total other financing sources (uses) . . . . .	<u>(56,678)</u>	<u>(56,000)</u>	<u>312,840</u>	<u>368,840</u>
Net change in fund balance . . . . .	(774,486)	(773,808)	(95,429)	678,379
<b>Fund balance at beginning of year . . . . .</b>	2,364,349	2,364,349	2,364,349	-
<b>Prior year encumbrances appropriated . . . . .</b>	169,189	169,189	169,189	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 1,759,052</u>	<u>\$ 1,759,730</u>	<u>\$ 2,438,109</u>	<u>\$ 678,379</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<b>Business-Type Activities - Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Operating revenues:</b>		
Sales/charges for services. . . . .	\$ -	\$ 70,434
Other . . . . .	14,388	-
	<u>14,388</u>	<u>-</u>
 Total operating revenues . . . . .	 <u>14,388</u>	 <u>70,434</u>
 <b>Operating expenses:</b>		
Purchased services . . . . .	-	4,374
Materials and supplies. . . . .	4,495	-
Claims. . . . .	-	59,942
Other . . . . .	9,765	-
	<u>14,260</u>	<u>64,316</u>
 Total operating expenses . . . . .	 <u>14,260</u>	 <u>64,316</u>
 Operating income . . . . .	 128	 6,118
 <b>Net assets at beginning of year . . . . .</b>	 <u>52,378</u>	 <u>50,658</u>
 <b>Net assets at end of year . . . . .</b>	 <u>\$ 52,506</u>	 <u>\$ 56,776</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<b>Business-Type Activities - Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>		
Cash received from sales/charges for services . . . . .	\$ -	\$ 70,434
Cash received from other operations. . . . .	14,388	-
Cash payments for purchased services. . . . .	-	(4,374)
Cash payments for materials and supplies . . . . .	(4,700)	-
Cash payments for other expenses . . . . .	(9,765)	-
Cash payments for claims expense. . . . .	-	(59,666)
Net cash provided by (used in) operating activities . . . . .	(77)	6,394
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>53,108</u>	<u>57,382</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u>\$ 53,031</u>	<u>\$ 63,776</u>
 <b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>		
Operating income . . . . .	\$ 128	\$ 6,118
Changes in assets and liabilities:		
Decrease in accounts payable . . . . .	(205)	-
Increase in claims payable . . . . .	-	276
Net cash provided by (used in) operating activities . . . . .	<u>\$ (77)</u>	<u>\$ 6,394</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2008

		<u>Agency</u>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$	26,591
Receivables:		
Accounts . . . . .		<u>80</u>
Total assets . . . . .	\$	<u><u>26,671</u></u>
<b>Liabilities:</b>		
Accounts payable. . . . .	\$	3,232
Due to students . . . . .		<u>23,439</u>
Total liabilities . . . . .	\$	<u><u>26,671</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Plymouth-Shiloh Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and/or federal agencies. This Board controls the District's 4 instructional/support facilities staffed by 41 classified and 72 certified full-time teaching personnel, who provide services to 911 students and other community members. The District ranks as the 510<sup>th</sup> by enrollment among 896 public and community school districts in the State and 8<sup>th</sup> largest in Richland County.

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The District has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The District has elected not to apply these FASB Statements and Interpretations. The District's significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food services and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Heartland Council of Governments/North Central Ohio Computer Cooperative (the "COG")

The COG is a jointly governed organization among 16 school districts, 1 educational service center and a career center. The COG is an association of public school districts within the boundaries of Ashland, Crawford, Huron, Marion, Morrow, Richland, Seneca, and Wyandot counties. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Each member school district supports the COG based on a per pupil charge dependent upon the software package utilized. The COG is governed by a Cooperative Assembly consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Cooperative Assembly. During fiscal year 2008, the District paid \$27,798 to the COG for various services. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

Pioneer Career and Technology Center (PCTC)

The PCTC is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Pioneer Career and Technology Center at 27 Ryan Road, Shelby, OH 44875.

*INSURANCE PURCHASING POOL*

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Plan. Each year, the participating school districts pay an enrolment fee to the Plan to cover the costs of administering the program.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

*GOVERNMENTAL FUNDS*

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

*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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Classroom Facilities* - This fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds consist of enterprise funds and internal service funds.

*Enterprise Fund* - The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District has one enterprise fund to account for the special enterprises. This fund is considered a nonmajor enterprise fund.

*Internal Service Fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides dental benefits to employees.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**C. Basis of Presentation and Measurement Focus**

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are 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 or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on 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 statements for governmental funds.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Agency funds do not report a measurement focus as they do not report operations.

**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. Proprietary and fiduciary funds also use the accrual basis of accounting.

*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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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 District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

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 year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a 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 to be both measurable and available at fiscal year-end: property taxes available as an advance, income taxes, interest, tuition, grants and student fees.

*Unearned Revenue and Deferred Revenue* - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds (except Agency funds). The specific timetable for fiscal year 2008 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Richland County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificate of estimated resources issued for fiscal year 2008.
4. By July 1, the annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures may not exceed the appropriation total.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2008; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" and "investments" on the basic financial statements.

During fiscal year 2008, investments were limited to investments in the State Treasury Asset Reserve of Ohio (STAR Ohio), U.S. Government money market mutual funds and federal agency securities. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

The District has invested funds in STAR Ohio during fiscal 2008. 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 shares price which is the price the investment could be sold for on June 30, 2008.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or policy of the Board of Education. Investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2008 amounted to \$167,611 which includes \$42,829 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year-end is provided in Note 4.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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. The District does not possess infrastructure.

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	10 - 20 years
Buildings and improvements	30 - 40 years
Furniture and equipment	5 - 20 years
Vehicles	8 - 15 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities column on the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. The District had no internal balances at fiscal year-end.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2008, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and all employees with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service and enterprise funds are reported on the proprietary fund 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, claims liability and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**L. Unamortized Bond Issuance Cost/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized bond issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, bond issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 12C.

**M. Fund Balance Reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, prepayments, debt service, property tax revenue unavailable for appropriation, school bus purchases, and BWC refunds. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

**N. Operating Revenues and Expenses**

Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's proprietary funds are charges for sales and services and other revenues. Operating expenses for the enterprise fund include purchased services and other expenses related to the operations of the Special Enterprises fund and operating expenses for the internal service fund include claims and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**O. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes includes amounts restricted by State statute for school bus purchases and Bureau of Worker's Compensation refunds.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**P. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**Q. Estimates**

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

**R. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set-aside to establish a reserve for Bureau of Worker's Compensation refunds and school bus purchases. These reserves are required by State statute. A schedule of statutory reserves is presented in Note 20.

**S. Interfund Activity**

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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2008 the District did not incur any transactions that would be classified as an extraordinary or special item.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 16) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2008 included the following individual fund deficits:

<u>Nonmajor fund</u>	<u>Deficit</u>
Uniform school supplies	\$ 7,171
EMIS	3,129
Poverty aid	276
Title I	1,928
Reducing class size	786

The general fund is liable for any deficits in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance results from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board 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.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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 may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

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

**A. Cash on Hand**

At year-end, the District had \$2,705 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments."

**B. Cash with Escrow Agent**

At fiscal year-end, the District had \$301,380 in cash and investments held by U.S. Bank in relation to the lease-purchase agreement discussed in Note 11. In addition, at fiscal year-end \$125,456 was on deposit with an escrow agent for retainage held as part of the District's construction contracts. These amounts are included in the basic financial statements as "cash with escrow agent."

**C. Deposits with Financial Institutions**

At June 30, 2008, the carrying amount of all District deposits was a deficit of \$(15,902). This amount is not shown as a liability due to the Districts' balance with STAR Ohio and the accessibility of these funds. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, none of the District's bank balance of \$71,210 was exposed to custodial risk as discussed below, while all was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**D. Investments**

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
STAR Ohio	\$ 4,691,729	\$ 4,691,729
FHLB	224,055	224,055
FHLMC	249,700	249,700
FNMA	399,170	399,170
U.S. Government money market	<u>15,021</u>	<u>15,021</u>
Total	<u>\$ 5,579,675</u>	<u>\$ 5,579,675</u>

The weighted average maturity of investments is 0.02 years.

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

*Credit Risk:* STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 4,691,729	84.08
FHLB	224,055	4.02
FHLMC	249,700	4.48
FNMA	399,170	7.15
U.S. Government money market	<u>15,021</u>	<u>0.27</u>
Total	<u>\$ 5,579,675</u>	<u>100.00</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

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

**E. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ (15,902)
Investments	5,579,675
Cash on hand	2,705
Cash with escrow agent	<u>426,836</u>
Total	<u>\$ 5,993,314</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,913,692
Business type activities	53,031
Agency fund	<u>26,591</u>
Total	<u>\$ 5,993,314</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund balances at June 30, 2008 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 20,000</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B.** Interfund transfers for the fiscal year ended June 30, 2008, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:		
General fund		\$ 76,000
Transfers to classroom facilities fund from:		
General fund		86,089

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Richland, Huron and Crawford Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2008 are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is 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 is reported 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 unearned revenue.

The amount available as an advance at June 30, 2008 was \$276,469 in the general fund, \$24,863 in the debt service fund (a nonmajor governmental fund) and \$9,756 in the maintenance fund (a nonmajor governmental fund). This amount has been recorded as revenue. The amount available as an advance at June 30, 2007 was \$223,003 in the general fund, \$20,655 in the debt service fund (a nonmajor governmental fund), and \$3,782 in the maintenance fund (a nonmajor governmental fund).

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

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

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 64,530,958	93.57	\$ 65,059,190	94.98
Public utility personal	3,420,030	4.96	2,711,720	3.96
Tangible personal property	<u>1,015,040</u>	<u>1.47</u>	<u>729,338</u>	<u>1.06</u>
Total	<u>\$ 68,966,028</u>	<u>100.00</u>	<u>\$ 68,500,248</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$37.80		\$37.70	

**NOTE 7 - SCHOOL DISTRICT INCOME TAX**

The voters of the District passed a 1% school district income tax at the May 8, 1990 election that became effective January 1, 1991. This tax is effective indefinitely. School district income tax revenue received by the general fund during fiscal year 2008 was \$776,972.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2008 consisted of taxes, accounts, accrued interest and intergovernmental grants and entitlements. 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. A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

Taxes	\$ 2,341,536
Accounts	225
Accrued interest	155
Intergovernmental	<u>1,903,175</u>
Total	<u>\$ 4,245,091</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within subsequent years.

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance</u> <u>06/30/07</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/08</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 64,810	\$ 850,000	\$ -	\$ 914,810
Construction in progress	<u>1,699,813</u>	<u>6,125,077</u>	<u>-</u>	<u>7,824,890</u>
Total capital assets, not being depreciated	<u>1,764,623</u>	<u>6,975,077</u>	<u>-</u>	<u>8,739,700</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	586,752	-	-	586,752
Buildings and improvements	13,006,074	-	-	13,006,074
Furniture and equipment	998,017	24,999	(21,329)	1,001,687
Vehicles	<u>743,684</u>	<u>-</u>	<u>-</u>	<u>743,684</u>
Total capital assets, being depreciated	<u>15,334,527</u>	<u>24,999</u>	<u>(21,329)</u>	<u>15,338,197</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(277,381)	(32,545)	-	(309,926)
Buildings and improvements	(2,518,883)	(309,608)	-	(2,828,491)
Furniture and equipment	(671,327)	(41,696)	5,460	(707,563)
Vehicles	<u>(544,677)</u>	<u>(40,899)</u>	<u>-</u>	<u>(585,576)</u>
Total accumulated depreciation	<u>(4,012,268)</u>	<u>(424,748)</u>	<u>5,460</u>	<u>(4,431,556)</u>
Governmental activities capital assets, net	<u>\$ 13,086,882</u>	<u>\$ 6,575,328</u>	<u>\$ (15,869)</u>	<u>\$ 19,646,341</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 195,840
Special	19,306
Vocational	19,712
<u>Support Services:</u>	
Pupil	2,159
Instructional staff	19,003
Administration	11,226
Fiscal	789
Operations and maintenance	69,368
Pupil transportation	28,067
Extracurricular activities	28,344
Food service operations	<u>30,934</u>
Total depreciation expense	<u>\$ 424,748</u>

**NOTE 10 - CAPITAL LEASES - LESSEE DISCLOSURE**

In a prior fiscal year, the District entered into capitalized leases for the acquisition of computers and monitors. These lease agreements meet the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital lease equipment in the amount of \$88,736 has not been capitalized as the present value at the time of acquisition is less than the capitalization threshold. A liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2008 totaled \$30,311 paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2008:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2009	<u>\$ 22,246</u>
Total lease payments	22,246
Less: amount representing interest	<u>(653)</u>
Total	<u>\$ 21,593</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 11 - LEASE-PURCHASE AGREEMENT**

During fiscal years 2007 and 2008, the District entered into two lease-purchase agreements with the Columbus Regional Airport Authority (through the OASBO Expanded Asset Pooled Financing Program) for the local share of the Ohio School Facilities Commission project. U.S. Bank has been designated as a trustee for the agreements. These leases meet the criteria of a lease-purchase as defined by FASB Statement No. 13, "Accounting for Leases", which defines a lease-purchase generally as one which transfers benefits and risks of ownership to the lessee. These leases were used for school facility improvements and the purchase of land. Assets related to the lease-purchase agreements have been capitalized in the amount of \$460,000. As of June 30, 2008, \$305,000 of the lease-purchase agreement proceeds remained unspent. Lease-purchase payments have been reflected as debt service expenditures in the general fund. Principal and interest payments in fiscal year 2008 totaled \$5,000 and \$24,544, respectively.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2008.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2009	\$ 49,800
2010	50,093
2011	51,345
2012	50,522
2013	50,679
2014 - 2018	253,397
2019 - 2023	253,610
2024 - 2028	252,690
2029 - 2033	252,085
2034 - 2035	<u>41,109</u>
Total minimum lease payments	1,305,330
Less: amount representing interest	<u>(549,330)</u>
Present value of minimum lease payments	<u>\$ 756,000</u>

**NOTE 12 - LONG-TERM OBLIGATIONS**

- A.** During fiscal year 2000, the District issued \$1,761,000 in general obligation bonds to provide long-term financing for the renovation of the elementary school and the construction of a new middle school/ high school building. These bonds bear an annual interest rate of 5.0% and mature in fiscal year 2017.

During fiscal year 2007, the District refunded \$875,000 of the current interest bonds.

Payments of principal and interest relating to this liability are recorded as an expenditure in the debt service fund. The unmatured obligation at year-end is accounted for in the governmental activities long-term obligations.



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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a schedule of activity for fiscal year 2008 on the Series 2000 general obligation refunding bonds:

	Interest Rate	Maturity Date	Balance Outstanding 06/30/07	Additions	Reductions	Balance Outstanding 06/30/08	Amounts Due in One Year
General obligation bond payable - Facilities Building	5.00%	12/01/16	\$ 585,000	\$ -	\$ (55,000)	\$ 530,000	\$ 60,000
<b>Total</b>			<u>\$ 585,000</u>	<u>\$ -</u>	<u>\$ (55,000)</u>	<u>\$ 530,000</u>	<u>\$ 60,000</u>

The following is a summary of the District's future annual debt service requirements to maturity for the general obligation bonds:

Fiscal Year Ending June 30,	Principal on Bond	Interest on Bond	Total
2009	\$ 60,000	\$ 33,450	\$ 93,450
2010	60,000	32,850	92,850
2011	65,000	32,250	97,250
2012	-	31,450	31,450
2013	-	31,450	31,450
2014 - 2017	<u>345,000</u>	<u>123,400</u>	<u>468,400</u>
<b>Total</b>	<u>\$ 530,000</u>	<u>\$ 284,850</u>	<u>\$ 814,850</u>

- B.** On October 26, 2006, the District issued general obligation bonds (Series 2007 General Obligation Refunding Bonds) to advance refund the callable portion of the Series 2000 Current Interest General Obligation Bonds (principal \$875,000). The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net assets.

The refunding issue is comprised of both current interest bonds, par value \$850,000, and capital appreciation bonds, par value \$25,000. The capital appreciation bonds mature December 1, 2011 and December 1, 2012 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$175,000. Total accreted interest of \$19,263 has been included in the statement of activities.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a schedule of activity for fiscal 2008 on the Series 2007 general obligation refunding bonds:

	Balance 06/30/07	Additions	Reductions	Balance 06/30/08
Current interest bonds	\$ 830,000	\$ -	\$ (15,000)	\$ 815,000
Capital appreciation bonds	25,000	-	-	25,000
Accreted interest	6,233	13,030	-	19,263
Total G.O. bonds	\$ 861,233	\$ 13,030	\$ (15,000)	\$ 859,263

The reacquisition price exceeded the net carrying amount of the old debt by \$93,912. The amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The following is a summary of the future debt service requirements to maturity for the Series 2007 general obligation refunding bonds:

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 15,000	\$ 33,450	\$ 48,450	\$ -	\$ -	\$ -
2010	15,000	32,850	47,850	-	-	-
2011	20,000	32,250	52,250	-	-	-
2012	-	31,450	31,450	15,000	75,000	90,000
2013	-	31,450	31,450	10,000	75,000	85,000
2014 - 2018	150,000	153,250	303,250	-	-	-
2019 - 2023	615,000	77,063	692,063	-	-	-
Total	\$ 815,000	\$ 391,763	\$ 1,206,763	\$ 25,000	\$ 150,000	\$ 175,000

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

C. During the fiscal year 2008, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/07</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding 06/30/08	Amount Due in One Year
<b>Governmental activities:</b>					
General obligation bonds payable - Series 2000	\$ 585,000	\$ -	\$ (55,000)	\$ 530,000	\$ 60,000
General obligation bonds payable - Series 2007	861,233	13,030	(15,000)	859,263	15,000
Early retirement incentive	10,356	-	(10,356)	-	-
Lease purchase agreement	301,000	460,000	(5,000)	756,000	15,000
Capital leases	51,904	-	(30,311)	21,593	21,593
Compensated absences	<u>439,966</u>	<u>61,588</u>	<u>(61,168)</u>	<u>440,386</u>	<u>54,578</u>
Total governmental activities long-term liabilities	<u>\$ 2,249,459</u>	<u>\$ 534,618</u>	<u>\$ (176,835)</u>	\$ 2,607,242	<u>\$ 166,171</u>
				Less: Deferred charge on refunding (84,180)	
				Add: Unamortized premium 108,162	
				<u>\$ 2,631,224</u>	

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$4,942,863 (including available funds of \$240,384) and an unvoted debt margin of \$67,472.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 25 days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Administrators who are contracted to work 260 days in a year are given 15 to 20 days of vacation per year by contract. Any unused vacation days at the end of the contract are forfeited. The only exception is the Superintendent who can accumulate vacation for up to 3 years at the end of his contract, and the Treasurer who can accumulate vacation for up to 2 years at the end of her contract. Teachers do not earn vacation time. Compensated absences will be paid from the fund from which the employee is paid, primarily the general fund, and the following nonmajor governmental funds: Title VI-B, Title I, and the food service fund.

Administrators, teachers and classified employees earn sick leave at a rate of 27% of sick leave balance to a maximum of 76 days. Payment of severance shall be paid at time of retirement after all requirements of eligibility have been met.

Calamity days are paid for certified, cooks and bus driver employees. Up to five days per year are provided under this benefit.

Personal leave days are available to all employees at the rate of three days annually. Any unused personal days are converted to sick days.

**NOTE 14 - RISK MANAGEMENT**

**A. Property, Fleet, and Liability Insurance**

The 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 2008, the District contracted with a commercial insurer for building and personal property coverage in the blanket amount of \$29,000,000, 100% coinsurance, replacement cost endorsement and a \$1,000 deductible.

Vehicles are covered by a policy, which provides for a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Vehicle liability has a \$2,000,000 combined single limit of liability. The District maintains coverage of \$1,000,000 for uninsured/underinsured motorists.

The general liability coverage involves a \$1,000,000 single occurrence limit and \$3,000,000 general aggregate limit with no deductible. An umbrella liability coverage is provided above the previously stated base liability coverages for general and fleet liability in the amount of \$5,000,000 with no deductible.

Settled claims have not exceeded commercial coverage in any of the past three years. The general liability aggregate limit has been reduced from \$4,000,000 to \$3,000,000. There has been no other significant reductions in insurance coverage from the prior year.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

**NOTE 14 - RISK MANAGEMENT - (Continued)**

**B. Employee Dishonesty Bonds**

The District carries employee dishonesty bonds for the Treasurer, Superintendent and Board President in the amount of \$20,000. An employee blanket dishonesty bond in the amount of \$25,000 is provided to cover all other employees of the District.

**C. Workers' Compensation**

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control and actuarial services to the GRP.

**D. Employee Group Life, Medical, Dental, and Vision Insurance**

The District provides life insurance and accidental death and dismemberment insurance to all regular contracted employees through Sun Life in the amount of \$20,000; the Superintendent and Treasurer's coverage is in the amount of \$50,000.

The District has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. The premium for single coverage is \$361.84 and \$976.95 for family. Employees pay 10% of the premium per negotiated union contracts and cannot be raised, except through negotiated agreement. The medical plan and prescription drug card are administered by Medical Mutual of Ohio located in Cleveland, Ohio.

The District provides dental coverage for its employees on a self-insured basis through Medical Mutual of Ohio. The total monthly premium is \$19.96 for single and \$53.89 for family coverage. This premium includes the employee portion, which is paid by the District.

The claims liability of \$7,000 reported in the fund at June 30, 2008, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the District's third party administrator. Changes in the fund's claims liability for the current and prior fiscal year are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2008	\$ 6,724	\$ 59,942	\$ (59,666)	\$ 7,000
2007	7,000	52,992	(53,268)	6,724

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - RISK MANAGEMENT - (Continued)**

The District also provides vision coverage for its employees on a fully-insured basis through Reliance Standard. The total monthly premium is \$10.84 for single coverage and \$24.04 for family coverage. This premium includes the employee portion, which is paid by the District. This amount is also capped by negotiated union contracts and cannot be raised, except through negotiated agreement.

The above employee portions of premiums for medical, dental and vision insurance are for full-time employees. Current part-time employees already enrolled in the plan may pay pro-rated premiums for coverage; however, new staff must be full-time to be eligible for coverage.

**NOTE 15 - PENSION PLANS**

**A. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$94,184, \$100,430 and \$105,471, respectively; 44.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - PENSION PLANS - (Continued)**

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

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$451,160, \$450,465 and \$454,230, respectively; 83.55 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$761 made by the District and \$725 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2008, three members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

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

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

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$59,207, \$50,111 and \$42,702, respectively; 44.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$6,786, \$6,829 and \$8,395, respectively; 44.19 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

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

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



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$34,705, \$34,651 and \$34,941, respectively; 83.55 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented 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 that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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**NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (95,429)
Net adjustment for revenue accruals	9,388
Net adjustment for expenditure accruals	(76,394)
Net adjustment for other sources/uses	(14,929)
Adjustment for encumbrances	<u>153,949</u>
GAAP basis	<u>\$ (23,415)</u>

**NOTE 18 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is not party to legal proceedings which, in the opinion of District management, will have a material effect, if any, on the financial condition of the District.

**NOTE 19 - GROUP PURCHASING POOL**

The District is a member of the Metropolitan Educational Council (MEC) purchasing group. The following items are purchased through this group discount program; custodial products, food service products, audio visual bulbs, and certain paper products. The MEC also provides a Self-Help Gas Program where members save significant amounts on natural gas purchases.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 20 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>	<u>BWC Refunds</u>
Set-aside balance as of June 30, 2007	\$ (352,833)	\$ (1,528,035)	\$ 50,385
Current year set-aside requirement	147,142	147,142	-
Current year offsets	-	(20,113)	-
Qualifying disbursements	<u>(185,445)</u>	<u>(136,300)</u>	<u>-</u>
 Total	 <u>\$ (391,136)</u>	 <u>\$ (1,537,306)</u>	 <u>\$ 50,385</u>
 Balance carried forward to FY 2009	 <u>\$ (391,136)</u>	 <u>\$ (1,528,035)</u>	 <u>\$ 50,385</u>

Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute. The District is still required by State law to maintain the textbook/instructional materials reserve and capital acquisition reserve.

The District had prior year carry forward and qualifying disbursements during the year that reduced the set-aside amount below zero for both the textbooks/instructional materials and capital acquisition reserves; these extra amounts may be used to reduce the set-aside requirement for future years. The negative amounts are therefore presented as being carried forward to the next fiscal year.

A schedule of the restricted assets at June 30, 2008 follows:

Amount restricted for BWC refunds	\$ 50,385
Amount restricted for school bus purchases	<u>14,772</u>
Total	<u>\$ 65,157</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

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

**NOTE 21 - CONTRACTUAL COMMITMENTS**

As of June 30, 2008, the District had the following contractual commitments outstanding related to the construction of a new elementary school. A summary of the primary contractual commitments follows:

<u>Project/Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment June 30, 2008</u>
Elementary school construction:			
BCMC, Inc.	\$ 4,290,281	\$ (3,960,721)	\$ 329,560
Commercial Appliance	218,870	(202,659)	16,211
Continental Office Environments	245,028	(232,950)	12,078
Eblueprints	20,000	(10,392)	9,608
Lesko	506,297	(489,193)	17,104
Mansfield News Journal	1,288	(1,060)	228
McClintock Electric	746,122	(739,598)	6,524
Metzger-Gleisinger	1,588,706	(1,410,178)	178,528
Project Meeting Consultants	10,700	(9,900)	800
Regency	418,809	(369,103)	49,706
Richland Blueprint	1,000	(27)	973
Richland County Building Department	3,730	(3,415)	315
Seimans Building Technology	962	-	962
Stanley Securities	669,687	(610,053)	59,634
Time Warner Cable	5,178		5,178
Verizon	413	-	413
Vulcan	97,436	(94,905)	2,531
Total	<u>\$ 8,824,507</u>	<u>\$ (8,134,154)</u>	<u>\$ 690,353</u>

## **SUPPLEMENTARY DATA**

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(A) PASS-THROUGH GRANT NUMBER	(B) CASH FEDERAL RECEIPTS	(B) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>				
(C) Food Donation	10.550	2008	\$ 26,160	\$ 26,160
<b>Total Food Donation</b>			<u>26,160</u>	<u>26,160</u>
<b>Nutrition Cluster:</b>				
(D) (E) School Breakfast Program	10.553	2008	63,593	63,593
<b>Total School Breakfast Program</b>			<u>63,593</u>	<u>63,593</u>
(D) (E) National School Lunch Program	10.555	2008	187,528	187,528
<b>Total National School Lunch Program</b>			<u>187,528</u>	<u>187,528</u>
<b>Total Nutrition Cluster</b>			<u>251,121</u>	<u>251,121</u>
<b>Total U.S. Department of Agriculture</b>			<u>277,281</u>	<u>277,281</u>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>				
Title I Grants to Local Educational Agencies	84.010	2007	45,218	59,258
Title I Grants to Local Educational Agencies	84.010	2008	267,389	258,359
<b>Total Title I Grants to Local Educational Agencies</b>			<u>312,607</u>	<u>317,617</u>
Special Education-Grants to States	84.027	2007	91,404	125,980
Special Education-Grants to States	84.027	2008	185,843	188,479
<b>Total Special Education Grants to States</b>			<u>277,247</u>	<u>314,459</u>
Safe and Drug-Free Schools and Communities State Grants	84.186	2008	6,392	6,392
<b>Total Safe and Drug-Free Schools and Communities State Grants</b>			<u>6,392</u>	<u>6,392</u>
State Grants for Innovative Programs	84.298	2008	1,367	1,367
<b>Total State Grants for Innovative Programs</b>			<u>1,367</u>	<u>1,367</u>
Education Technology State Grants	84.318	2007	71	71
Education Technology State Grants	84.318	2008	3,453	3,453
<b>Total Education Technology State Grants</b>			<u>3,524</u>	<u>3,524</u>
Improving Teacher Quality State Grants	84.367	2007	6,948	10,414
Improving Teacher Quality State Grants	84.367	2008	60,794	58,978
<b>Total Improving Teacher Quality State Grants</b>			<u>67,742</u>	<u>69,392</u>
<b>Total U.S. Department of Education</b>			<u>668,879</u>	<u>712,751</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 946,160</u>	<u>\$ 990,032</u>

- (A) OAKS did not assign pass-through numbers for fiscal year 2008
- (B) This schedule was prepared on the cash basis of accounting.
- (C) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value
- (D) Included as part of "Nutrition Grant Cluster" in determining major programs
- (E) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.





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

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

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

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Plymouth-Shiloh Local School District, Richland County, Ohio, as of and for the fiscal year ended June 30, 2008, which collectively comprise Plymouth-Shiloh Local School District's basic financial statements and have issued our report thereon dated December 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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



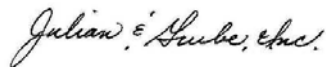
Board of Education  
Plymouth-Shiloh Local School District

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

Compliance and Other Matters

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

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



Julian & Grube, Inc.  
December 12, 2008



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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**Report on Compliance With Requirements Applicable to Its  
Major Program and on Internal Control Over Compliance  
in Accordance With OMB Circular A-133**

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

Compliance

We have audited the compliance of Plymouth-Shiloh Local School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2008. Plymouth-Shiloh Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Plymouth-Shiloh Local School District's management. Our responsibility is to express an opinion on Plymouth-Shiloh Local School District's compliance based on our audit.

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

In our opinion, Plymouth-Shiloh Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2008.

Internal Control Over Compliance

The management of Plymouth-Shiloh Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Plymouth-Shiloh Local School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Plymouth-Shiloh Local School District's internal control over compliance.

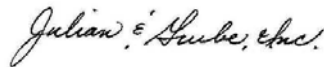
Board of Education  
Plymouth-Shiloh Local School District

A control deficiency in Plymouth-Shiloh Local School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Plymouth-Shiloh Local School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Plymouth-Shiloh Local School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Plymouth-Shiloh Local School District's internal control.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Julian & Grube, Inc.  
December 12, 2008

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2008**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



**Mary Taylor, CPA**  
Auditor of State

**PLYMOUTH SHILOH LOCAL SCHOOL DISTRICT**

**RICHLAND 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  
JANUARY 6, 2009**