



Dave Yost • Auditor of State



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Columbus Grove Local School District  
Putnam County  
201 West Cross Street  
Columbus Grove, Ohio 45830-1237

To the Board of Education:

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

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

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

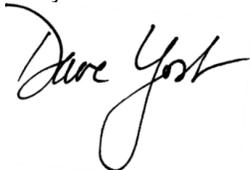
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus Grove Local School District, Putnam County, Ohio, as of June 30, 2011, and the respective changes in cash financial position, thereof and the budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting Note 2 describes.

As described in Note 3, during fiscal year 2011 the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*".

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



**Dave Yost**  
Auditor of State

January 23, 2012

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

This discussion and analysis of Columbus Grove Local School District's ("the District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2011, within the limitations of the District's cash basis of accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key highlights for 2011 are as follows:

Net assets of governmental activities increased \$7,788,250, or 51.4 percent, from the prior year. This increase was mostly due to the receipt of intergovernmental revenue from the Ohio School Facilities Commission for a school construction project.

The District's general governmental receipts were \$8,554,278. The majority of these receipts were primarily property taxes and unrestricted state entitlements. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$15,501,947.

The District had \$16,267,975 in expenses related to governmental activities. Only \$15,501,947 of these expenses were offset by program specific charges for services, grants and contributions. General revenues supporting governmental activities (primarily taxes, unrestricted grants and entitlements) of \$8,554,278 were adequate to provide for these programs.

The District's major governmental funds were the General Fund, Bond Retirement Fund, Building Fund, and Ohio School Facilities Commission (OSFC) Construction Fund. The General Fund had \$7,473,913 in revenues and other financing sources and \$7,098,207 in expenditures and other financing uses. The Bond Retirement Fund had \$872,155 in revenues and other financing sources and \$579,470 in expenditures and other financing uses, The Building Fund had \$30,706 in revenues and \$1,116,637 in expenditures. The OSFC Construction Fund had \$14,523,993 in revenues and \$6,375,436 in expenditures. During fiscal year 2011, the General Fund balance increased \$375,706 from \$3,908,489 to \$4,284,195. The Bond Retirement Fund balance increased \$292,685 from \$499,272 to \$791,957. The Building fund balance decreased \$1,085,931 from \$3,505,174 to \$2,419,243 and the OSFC Construction Fund increased \$8,148,557 from \$6,808,698 to \$14,957,255.

**Using This Annual Report**

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

**Report Components**

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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non-major funds presented in total in a single column. For the District, the General Fund, Bond Retirement Fund, Building Fund, and OSFC Construction Fund are the major funds.

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

**Basis of Accounting**

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

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

**Reporting The District As A Whole**

The statement of net assets and the statement of activities reflect how the District did financially during fiscal year 2011, within the limitations of the cash basis of accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the District at fiscal year end. The statement of activities compares cash disbursements with program receipts for each function or program of the District's governmental activities. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the District's general receipts.

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

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

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

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

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

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

**The District As A Whole**

Table 1 provides a summary of the District's net assets for fiscal year 2011 compared to fiscal year 2010 on another comprehensive basis of accounting.

<b>Table 1</b>		
<b>Net Assets</b>		
	Governmental Activities 2011	Governmental Activities 2010
<b>Assets:</b>		
Cash and Cash Equivalents	\$22,932,196	\$15,143,946
<b>Net Assets:</b>		
Restricted	\$18,730,671	\$11,348,712
Unrestricted	4,201,525	3,795,234
Total Net Assets	\$22,932,196	\$15,143,946

Over time, net assets can serve as a useful indicator of a government's financial position. At year end, net assets were \$22,932,196 for governmental activities.

A portion of the District's net assets, \$18,730,671, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$4,201,525 may be used to meet the District's ongoing obligations to the students and creditors.

The increase in cash was attributed to the receipt of OSFC grant monies for the District's building project.

Table 2 reflects the changes in net assets from the prior year:

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Table 2  
Change in Net Assets**

	Governmental Activities 2011	Governmental Activities 2010
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$663,110	\$627,086
Operating Grants and Contributions	372,393	489,860
Capital Grants and Contributions	14,466,444	2,636,508
Total Program Revenues	<u>15,501,947</u>	<u>3,753,454</u>
General Revenues:		
Property and Other Local Taxes	2,146,817	1,973,132
Income Taxes	921,831	694,334
Grants and Entitlements Not Restricted to Specific Programs	5,228,355	4,944,900
Gifts and Donations	30,711	16,566
Interest	158,018	29,570
Customer Sales and Services		3,750
Rent	721	3,292
Miscellaneous	67,825	183,364
General Obligation Bonds Issued		9,299,387
Premium on Bonds Issued		238,873
Refund of Prior Year Expenditures		2
Total General Revenues	<u>8,554,278</u>	<u>17,387,170</u>
Total Revenues	<u>24,056,225</u>	<u>21,140,624</u>
Expenditures:		
Instruction:		
Regular	4,189,516	4,083,290
Special	806,788	1,046,491
Vocational	83,983	94,690
Student Intervention		86
Support Services:		
Pupil	302,098	274,299
Instructional Staff	132,357	127,867
Board of Education	42,687	41,014
Administration	574,542	524,173
Fiscal	273,175	259,502
Operation and Maintenance of Plant	557,415	540,622
Pupil Transportation	302,408	276,902
Central	82,575	78,350
Operation of Non-Instructional Services	409,220	404,964
Extracurricular Activities	464,143	398,001
Capital Outlay	7,505,967	2,076,688

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Debt Service	541,101	203,595
Total Expenditures	16,267,975	10,430,534
 Increase in Net Assets	 7,788,250	 10,710,090
 Net Assets, July 1	 15,143,946	 4,433,856
Net Assets, June 30	\$22,932,196	\$15,143,946

Net assets of the District's governmental activities increased \$7,788,250. Total governmental expenses of \$16,267,975 were offset by program revenues of \$15,501,947 and general revenues of \$8,554,278. Program revenues supported 95.3 percent of the total governmental expenses.

The primary sources of revenue for the governmental activities were OSFC grant drawdowns and other restricted grant receipts which represents 61.7 percent of total governmental revenue. Property taxes, income taxes and grant and entitlements not restricted to specific programs represent 34.5 percent of total governmental revenue. Real estate property is reappraised every six years.

Overall revenues increased \$2,915,601 primarily due to the receipt of Ohio School Facilities Commission (OSFC) grant monies to be used for the construction of the District's new school building. Overall expenditures increased \$5,837,441 primarily due to an increase in capital expenditures related to the construction of the District's new school building.

**Governmental Activities**

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

**Table 3  
Governmental Activities**

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Current:				
Instruction:				
Regular	\$4,189,516	\$3,963,863	\$4,083,290	\$3,834,844
Special	806,788	434,395	1,046,491	661,628
Vocational	83,983	83,983	94,690	94,690
Student Intervention			86	86
Support Services:				
Pupil	302,098	302,098	274,299	274,299
Instructional Staff	132,357	132,357	127,867	127,867
Board of Education	42,687	42,687	41,014	41,014
Administration	574,542	574,542	524,173	524,173
Fiscal	273,175	273,175	259,502	259,502

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Operation and Maintenance of Plant	557,415	557,415	540,622	540,622
Pupil Transportation	302,408	302,408	276,902	276,902
Central	82,575	82,575	78,350	78,350
Operation of Non-Instructional Services	409,220	205,702	404,964	90,804
Extracurricular Activities	464,143	230,204	398,001	228,524
Capital Outlay	7,505,967	(6,960,477)	2,076,688	(559,820)
Debt Service	541,101	541,101	203,595	203,595
Total Disbursements	<u>\$16,267,975</u>	<u>\$766,028</u>	<u>\$10,430,534</u>	<u>\$6,677,080</u>

The dependence upon tax receipts and unrestricted state entitlements is apparent as a majority of instructional activities are supported through these general receipts. For all governmental activities, general revenue support is 4.7 percent. The remaining 95.3 percent is derived from charges for services, operating grants and contributions, and capital grants and contributions.

**The District's Funds**

The District's funds are accounted for using the cash basis of accounting. Total combined fund balance of \$22,932,196, which is higher than last year's total of \$15,143,946. The schedule below indicates fund balance and the total change in fund balance as of June 30, 2011 and 2010.

**Table 4  
Fund Balance**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Increase (Decrease)</u>
General	\$4,284,195	\$3,908,489	\$375,706
Bond Retirement	791,957	499,272	292,685
Building	2,419,243	3,505,174	(1,085,931)
OSFC Construction	14,957,255	6,808,698	8,148,557
Other Governmental	<u>479,546</u>	<u>422,313</u>	<u>57,233</u>
Total Fund Balance	<u>\$22,932,196</u>	<u>\$15,143,946</u>	<u>\$7,788,250</u>

The net positive change of \$7,788,250 in fund balance for the year was primarily attributed to Ohio School Facilities Commission (OSFC) grant monies received for the construction of the District's new school building.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**General Fund**

The District's General Fund balance increased by \$375,706

The table that follows assists in illustrating the financial activities of the General Fund:

**Table 5  
General Fund**

	2011 Amount	2010 Amount
<b>Revenues:</b>		
Taxes	\$2,501,786	\$2,250,308
Tuition	225,653	245,795
Interest	67,283	19,710
Intergovernmental	4,546,036	4,622,832
Other Revenues	103,170	47,495
Total Revenues	\$7,443,928	\$7,186,140
<b>Expenditures:</b>		
Instruction	\$4,574,537	\$4,719,268
Support Services	2,007,484	1,906,876
Operation of Non-Instructional Services	1,444	2,515
Extracurricular Activities	244,592	236,528
Capital Outlay	13,894	206,027
Total Expenditures	\$6,841,951	\$7,071,214

**General Fund Budgeting Highlights**

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

During fiscal year 2011, the District amended its General Fund budget as needed to reflect changing circumstances.

Final estimated revenues and other financing sources were below original amounts by \$25,444. The variance was primarily a result of intergovernmental revenues not as high as originally expected. Actual revenues and other financing sources for fiscal year 2011 were \$436,677 less than the final estimated revenues and other financing sources. The variance was primarily a result of actual advances and transfers not as high as budgeted.

General Fund original budgeted appropriations (appropriated expenditures plus other financing uses) of \$8,644,672 were decreased to \$8,617,907 in the final budget. The \$26,765 decrease was minimal. Actual budget basis expenditures and other financing uses for fiscal year 2011 totaled \$7,236,262 which was \$1,381,645 less than the final budget appropriations. The variance is primarily due to a conservative "worst case scenario" approach. The District over-appropriates and uses a contingency appropriation in case significant, unexpected expenditures arise during the fiscal year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Capital Assets And Debt Administration**

Capital Assets

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

Debt

At June 30, 2011, the District's outstanding debt included general obligation bonds in the amount of \$3,516,617 and total Qualified School Construction Bond debt of \$5,700,000. Of this total \$115,000 is due within one year and \$9,101,617 is due in more than one year.

The bonds are being retired through the Bond Retirement Fund.

For further information regarding the District's debt, see the notes to the basic financial statements.

**Current Issues**

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

**Contacting The District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Mark Ellerbrock, Treasurer, Columbus Grove Local School District, 201 West Cross Street, Columbus Grove, Ohio 45830-1237.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Net Assets - Cash Basis  
June 30, 2011

	Governmental Activities
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$22,288,921
<b>Restricted Assets:</b>	
Cash and Cash Equivalents with Fiscal Agent	643,275
<i>Total Assets</i>	\$22,932,196
<b>Net Assets:</b>	
Restricted for:	
Capital Projects	\$17,426,243
Debt Service	791,957
Set Asides	82,670
Other Purposes	429,801
	4,201,525
<i>Total Net Assets</i>	\$22,932,196

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Activities - Cash Basis  
For the Fiscal Year Ended June 30, 2011

	Cash Disbursements	Program Revenues			Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$4,189,516	\$225,653			(\$3,963,863)
Special	806,788		\$372,393		(434,395)
Vocational	83,983				(83,983)
Support Services:					
Pupil	302,098				(302,098)
Instructional Staff	132,357				(132,357)
Board of Education	42,687				(42,687)
Administration	574,542				(574,542)
Fiscal	273,175				(273,175)
Operation and Maintenance of Plant	557,415				(557,415)
Pupil Transportation	302,408				(302,408)
Central	82,575				(82,575)
Operation of Non-Instructional Services	409,220	203,518			(205,702)
Extracurricular Activities	464,143	233,939			(230,204)
Capital Outlay	7,505,967			\$14,466,444	6,960,477
Debt Service	541,101				(541,101)
<b>Totals</b>	<b>\$16,267,975</b>	<b>\$663,110</b>	<b>\$372,393</b>	<b>\$14,466,444</b>	<b>(766,028)</b>
<b>General Revenues:</b>					
Property Taxes					2,146,817
Income Taxes					921,831
Grants and Entitlements not Restricted to Specific Programs					5,228,355
Gifts and Donations					30,711
Interest					158,018
Rent					721
Miscellaneous					67,825
<b>Total General Revenues</b>					<b>8,554,278</b>
Change in Net Assets					7,788,250
Net Assets Beginning of Year					15,143,946
Net Assets End of Year					<b>\$22,932,196</b>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Cash Basis Assets and Fund Cash Balances -  
Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	General	Bond Retirement	Building Fund	OSFC Construction Fund	Other Governmental Funds	Total Government Funds
<b>Assets:</b>						
Equity in Pooled Cash and Cash Equivalents	\$4,201,525	\$252,796	\$2,419,243	\$14,957,255	\$479,546	\$22,310,365
<b>Restricted Assets:</b>						
Cash and Cash Equivalents with Fiscal Agent		539,161				539,161
Equity in Pooled Cash and Cash Equivalents	82,670					82,670
<i>Total Assets</i>	<u>\$4,284,195</u>	<u>\$791,957</u>	<u>\$2,419,243</u>	<u>\$14,957,255</u>	<u>\$479,546</u>	<u>\$22,932,196</u>
<b>Fund Balances:</b>						
Restricted	\$82,670	\$791,957	\$2,419,243	\$14,957,255	\$382,685	\$18,633,810
Assigned	79,867				96,861	176,728
Unassigned	4,121,658					4,121,658
<i>Total Fund Balances</i>	<u>\$4,284,195</u>	<u>\$791,957</u>	<u>\$2,419,243</u>	<u>\$14,957,255</u>	<u>\$479,546</u>	<u>\$22,932,196</u>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Cash Basis Receipts, Disbursements and Changes  
in Fund Cash Balances - Governmental Funds  
For the Fiscal Year Ended June 30, 2011

	General	Bond Retirement	Building Fund	OSFC Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property Taxes	\$1,579,955	\$532,120			\$34,742	\$2,146,817
Income Taxes	921,831					921,831
Intergovernmental	4,546,036	91,017		\$14,466,444	963,695	20,067,192
Interest	67,283		\$30,706	57,549	2,480	158,018
Tuition and Fees	225,653					225,653
Customer Sales and Services					203,518	203,518
Extracurricular Activities	10,080				223,859	233,939
Contributions and Donations	30,711					30,711
Rentals	721					721
Miscellaneous	61,658				5,840	67,498
<i>Total Revenues</i>	<u>7,443,928</u>	<u>623,137</u>	<u>30,706</u>	<u>14,523,993</u>	<u>1,434,134</u>	<u>24,055,898</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	3,828,484				361,032	4,189,516
Special	662,070				144,718	806,788
Vocational	83,983					83,983
Support Services:						
Pupil	259,514				42,584	302,098
Instructional Staff	132,357					132,357
Board of Education	42,687					42,687
Administration	466,722				107,820	574,542
Fiscal	256,148	15,949			1,078	273,175
Operation and Maintenance of Plant	548,633				8,782	557,415
Pupil Transportation	274,699				27,709	302,408
Central	26,724				55,851	82,575
Operation of Non-Instructional Services	1,444				407,776	409,220
Extracurricular Activities	244,592				219,551	464,143
Capital Outlay	13,894		1,116,637	6,375,436		7,505,967
Debt Service:						
Principal Retirement		202,770				202,770
Interest and Fiscal Charges		338,331				338,331
<i>Total Expenditures</i>	<u>6,841,951</u>	<u>557,050</u>	<u>1,116,637</u>	<u>6,375,436</u>	<u>1,376,901</u>	<u>16,267,975</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>601,977</u>	<u>66,087</u>	<u>(1,085,931)</u>	<u>8,148,557</u>	<u>57,233</u>	<u>7,787,923</u>
<b>Other Financing Sources and (Uses):</b>						
Transfers In	29,658	249,018				278,676
Refund of Prior Year Expenditure	327					327
Transfers Out	(256,256)	(22,420)				(278,676)
<i>Total Other Financing Sources and (Uses)</i>	<u>(226,271)</u>	<u>226,598</u>				<u>327</u>
<i>Net Change in Fund Balance</i>	<u>375,706</u>	<u>292,685</u>	<u>(1,085,931)</u>	<u>8,148,557</u>	<u>57,233</u>	<u>7,788,250</u>
<i>Restated Fund Balance at Beginning of Year</i>	<u>3,908,489</u>	<u>499,272</u>	<u>3,505,174</u>	<u>6,808,698</u>	<u>422,313</u>	<u>15,143,946</u>
<i>Fund Balance at End of Year</i>	<u>\$4,284,195</u>	<u>\$791,957</u>	<u>\$2,419,243</u>	<u>\$14,957,255</u>	<u>\$479,546</u>	<u>\$22,932,196</u>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Cash Receipts, Cash Disbursements and Changes  
in Cash Fund Balance (Budgetary Basis) - General Fund  
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$1,660,224	\$1,673,684	\$1,579,955	(\$93,729)
Income Taxes	740,854	740,854	921,831	180,977
Intergovernmental	4,560,745	4,521,130	4,546,036	24,906
Interest	20,443	20,443	67,283	46,840
Tuition and Fees	242,985	242,985	225,653	(17,332)
Rent	2,294	2,294	721	(1,573)
Contributions and Donations	15,012	15,012	30,711	15,699
Customer Sales and Services	4,001	4,001		(4,001)
Miscellaneous	21,877	22,588	56,354	33,766
<i>Total Revenues</i>	<u>7,268,435</u>	<u>7,242,991</u>	<u>7,428,544</u>	<u>185,553</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	4,209,772	4,190,363	3,840,786	349,577
Special	711,590	711,590	662,452	49,138
Vocational	94,224	94,224	84,531	9,693
Other	102	102		102
Support Services:				
Pupil	242,849	242,848	244,859	(2,011)
Instructional Staff	139,748	139,748	132,697	7,051
Board of Education	66,036	66,036	61,473	4,563
Administration	489,614	489,614	468,014	21,600
Fiscal	277,061	277,061	256,637	20,424
Operation and Maintenance of Plant	603,510	603,511	573,770	29,741
Pupil Transportation	304,785	304,785	286,143	18,642
Central	34,037	14,541	28,974	(14,433)
Food Service Operations	2,684	2,684	1,444	1,240
Extracurricular Activities	219,295	219,295	244,982	(25,687)
Capital Outlay	947,429	948,109	13,894	934,215
<i>Total Expenditures</i>	<u>8,342,736</u>	<u>8,304,511</u>	<u>6,900,656</u>	<u>1,403,855</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,074,301)</u>	<u>(1,061,520)</u>	<u>527,888</u>	<u>1,589,408</u>
<b>Other Financing Sources and (Uses):</b>				
Advances In	231,565	231,565	79,350	(152,215)
Advances Out	(250,000)	(250,000)	(79,350)	170,650
Transfers Out	(51,936)	(51,936)	(256,256)	(204,320)
Transfer In	500,000	500,000	29,658	(470,342)
Other Financing Sources			327	327
Other Financing Uses		(11,460)		11,460
<i>Total Other Financing Sources and (Uses)</i>	<u>429,629</u>	<u>418,169</u>	<u>(226,271)</u>	<u>(644,440)</u>
<i>Net Change in Fund Balance</i>	<u>(644,672)</u>	<u>(643,351)</u>	<u>301,617</u>	<u>944,968</u>
<i>Fund Balance at Beginning of Year</i>	<u>3,758,295</u>	<u>3,758,295</u>	<u>3,758,295</u>	
Prior Year Encumbrances Appropriated	144,416	144,416	144,416	
<i>Fund Balance at End of Year</i>	<u><u>\$3,258,039</u></u>	<u><u>\$3,259,360</u></u>	<u><u>\$4,204,328</u></u>	<u><u>\$944,968</u></u>

See accompanying notes to the basic financial statements

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

Statement of Fiduciary Net Assets - Cash Basis  
For the Fiscal Year Ended June 30, 2011

	<u>Agency</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$59,491</u></u>
<b>Liabilities:</b>	
Undistributed Monies	<u><u>\$59,491</u></u>

*See accompanying notes to the basic financial statements*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

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

A locally-elected five-member Board governs the District, which provides educational services mandated by the State and federal agencies. This Board of Education controls the District's one instructional/support facility staffed by 35 classified employees, 67 certificated full-time personnel, and 4 administrators who provide services to 899 students and other community members.

***Reporting Entity***

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

Component units are legally separate organizations for which the District can "impose its will," such as by appointing a voting majority of the component unit's governing body. Component units may also include organizations fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District, and are significant in amount to the District. The District has no component units.

The District has no joint ventures.

The District participates in 3 public entity risk pools and 4 jointly governed organizations. The financial statements exclude these entities which perform activities within the District's boundaries for the benefit of its residents because the District is not financially accountable for these entities nor are these entities fiscally dependent on the District. Notes 8 and 15 to the financial statements provide additional information for these entities. These organizations are:

Public Entity Risk Pool:

Putnam County School Insurance Group  
Ohio School Boards Association Workers' Compensation Group Rating Program  
Schools of Ohio Risk Sharing Authority

Jointly Governed Organizations:

Northwest Ohio Area Computer Services Cooperative  
Apollo Career Center  
State Support Region 1  
Northwest Ohio Special Education Regional Resource Center

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

***A. Basis of Accounting***

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

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

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

***B. Fund Accounting***

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

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

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

***Bond Retirement Fund*** – The Bond Retirement Fund accounts for resources received from property taxes to pay school improvement general obligation bond principal, interest and related costs.

***Building Fund*** – The Building Fund is used to account for the receipts and disbursements related to the construction of locally funded initiatives related to the Ohio School Facilities Commission (OSFC) building project.

***OSFC Construction Fund*** – The OSFC Construction Fund is used to account for state and local shares of the receipts and disbursements related to the 2009 OSFC building project.

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

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

***C. Basis of Presentation***

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

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

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

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

***D. Cash, Cash Equivalents and Investments***

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". Cash and cash equivalents that are held separately in an account at a financial institution for debt service are reported as "Cash and Cash Equivalents with Fiscal Agent".

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

During 2011, the District invested in STAR Ohio and certificates of deposit. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011. Non-participating investment contracts, such as non-negotiable certificates of deposit are valued at cost.

Following Ohio statutes, the Board of Education specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2011 amounted to \$67,283.

***E. Restricted Assets***

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

***F. Inventory and Prepaid Items***

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

***G. Capital Assets***

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

***H. Compensated Absences***

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

***I. Long-term Obligations***

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

***J. Fund Balance***

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

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

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

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

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

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

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

***K. Net Assets***

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

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

***L. Interfund Activity***

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

The statements report interfund loans as advances when made or repaid. There were no unpaid advances as of June 30, 2011.

***M. Budgetary Data***

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

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

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

**NOTE 3 – CHANGE IN BASIS OF ACCOUNTING**

For fiscal year 2011, the District modified its financial statements to reflect the modifications outlined in GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and/or unassigned. The statement also, requires certain funds to be included with the General Fund.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 3 – CHANGE IN BASIS OF ACCOUNTING – (CONTINUED)**

	<b>General Fund</b>	<b>Other Governmental Funds</b>
Fund Balance June 30, 2010	\$3,902,711	\$428,091
Change in Fund Structure	5,778	(5,778)
Restated Fund Balance June 30, 2010	\$3,908,489	\$422,313

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Budgetary Basis) presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) amounted to \$75,411 in the General Fund.

In addition, as part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds (uniform school supplies and public school support funds) are considered part of the General Fund on the cash basis.

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the General Fund:

Net Change in Fund Cash Balance	
	General Fund
Cash Basis	\$375,706
Funds Budgeted Elsewhere	1,322
Adjustment for Encumbrances	(75,411)
Budget Basis	\$301,617

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 5 - DEPOSITS AND INVESTMENTS – (CONTINUED)**

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

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

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

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 5 - DEPOSITS AND INVESTMENTS – (CONTINUED)**

**Undeposited Cash:** At year end, the District had \$700 in undeposited cash on hand, included on the financial statements as part of equity in pooled cash and cash equivalents.

**Cash with Fiscal Agent:** At year end, the District had \$539,161 in debt sinking fund deposits, included below as part of Deposits with Financial Institutions.

**Deposits with Financial Institutions:** At June 30, 2011, the carrying amount of all District deposits was \$20,197,033. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, none of the District's bank accounts were exposed to custodial risk. Custodial credit risk otherwise is discussed in the next paragraph.

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.

**Investments:** At June 30, 2011, the District had investments with STAR Ohio with a carrying value of \$2,793,954.

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

**NOTE 6 - PROPERTY TAXES**

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 was eliminated in calendar year 2009, and tax on telephone and telecommunications property have been 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 through 2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)**

**NOTE 6 - PROPERTY TAXES – (CONTINUED)**

Property taxes include amounts levied against all real property, public utility property and tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes.

Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2011 (other than public utility property) represent the collection of calendar year 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after October 1, 2010, on the value as of December 31, 2010. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Putnam County and Allen County. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available as an advance at June 30, 2011 was \$182,909 in the General Fund, \$41,715 in the Bond Retirement Fund, and \$2,952 in the Classroom Facilities Maintenance Fund. The amount available for advance at June 30, 2010 was \$114,900 in the General Fund, \$43,451 in the Bond Retirement Fund, and \$2,562 in the Classroom Facilities Maintenance Fund. The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 6 - PROPERTY TAXES – (CONTINUED)**

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

	2011 First Half Collections		2010 Second Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Residential/Agricultural	\$83,664,120	92.54	\$82,853,840	92.74
Commercial/Industrial	3,130,360	3.46	2,999,180	3.36
Public Utility	3,514,060	3.89	3,353,550	3.75
Tangible Personal	<u>96,620</u>	<u>0.11</u>	<u>132,200</u>	<u>0.15</u>
Total	<u>\$90,405,160</u>	<u>100.00</u>	<u>\$89,338,770</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$34.82		\$36.07	

**NOTE 7 - SCHOOL DISTRICT INCOME TAX**

The District levies a voted tax of 1.00 percent for general operations on the income of residents and of estates. .75 of the tax was effective January 1, 1996 and expired on December 31, 2010, but was renewed until December 31, 2015. .25 of the tax was effective January 1, 2010 and expires December 31, 2032. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and totaled \$921,831 for fiscal year 2011.

**NOTE 8 - RISK MANAGEMENT**

**A. Risk Pool Membership**

The District is a member of the Schools of Ohio Risk Sharing Authority (SORSA). SORSA is a member owned organization having approximately 87 members. SORSA is a joint self-insurance pool. SORSA assumes the risk of loss up to the limits of the District's policy. SORSA covers the following risks:

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 8 - RISK MANAGEMENT – (CONTINUED)**

The District paid \$41,761 in premiums to the pool during fiscal year 2011 for coverage during fiscal year 2010. The District paid \$41,440 in premiums during fiscal year 2010 for coverage in fiscal year 2009.

SORSA financial statements are available by contacting SORSA at:

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

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There has been no significant reduction in amounts of insurance coverage from 2008.

***B. Employee Medical Benefits***

The District participates as a member of the Putnam County School Insurance Group (the Group), a public entity risk pool, administered by Huntington Trust. The District converted its fully-insured medical insurance program to partial self insurance through participation in this public entity risk pool. Medical Mutual of Ohio provides claim review and processing. The District maintains stop-loss coverage for its medical insurance program. Aggregate stop loss is maintained for expected claims. In 2011, the District contributed \$757,922 for employees' medical and dental coverage through the Group.

***C. Workers' Compensation***

For fiscal year 2011 the District participated in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. GRP then calculates total savings and each participant's individual performance is compared to the overall Plan's savings percentage. A participant then either receives money from or contributes to GRP's equity pooling fund. This equity pooling arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The District paid an enrollment fee of \$1,755 to the GRP to cover costs of administering the program.

**NOTE 9 - PENSION PLANS**

***A. State Teachers Retirement System***

Plan Description - The District contributes to 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 the State Teachers Retirement System of

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 9 - PENSION PLANS – (CONTINUED)**

Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

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

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

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the STRS Ohio 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 contribution for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 was \$486,098, \$475,972, and \$445,764 respectively; 91 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

***B. School Employees Retirement System***

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer public employee retirement 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 stand-alone financial report that may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 9 - PENSION PLANS – (CONTINUED)**

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary and the District was 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 2011, 11.77 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. 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 contribution for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 was \$111,624, \$137,426, \$79,578 respectively; 41 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

***A. State Teachers Retirement System***

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Health Care Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for postemployment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$37,392, \$36,613, and \$34,290 respectively; 91 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

***B. School Employees Retirement System***

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 10 - POSTEMPLOYMENT BENEFITS – (CONTINUED)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount. For fiscal year 2011, the surcharge 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 contribution for health care for the fiscal years ended June 30, 2011, 2010, and 2009 was \$27,006, \$15,953, and \$47,319 respectively; 71 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2011, this actuarially required allocation was .76 percent of covered payroll. The District's contribution for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 was \$7,183, \$8,172, and \$6,566 respectively; 41 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**NOTE 11 - DEBT**

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

	<b>Balance at 06/30/10</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance at 06/30/11</b>	<b>Amount Due In one Year</b>
1987 Construction and Improvement Bonds:					
- General Obligation Bonds	\$120,000		\$120,000		
2009 Construction and Improvement Bonds:					
- Qualified School Construction Bonds – Series 2009A	5,000,000			\$5,000,000	
- General Obligation Bonds – Series 2009B	3,551,617		35,000	3,516,617	\$65,000
- Qualified School Construction Bonds – Series 2009C	747,770		47,770	700,000	50,000
<b>Total Long-Term Obligations</b>	<b><u>\$9,419,387</u></b>		<b><u>\$202,770</u></b>	<b><u>\$9,216,617</u></b>	<b><u>\$115,000</u></b>

Total expenditures for interest for the above debt for the period ended June 30, 2011 was \$338,332.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 11 – DEBT – (CONTINUED)**

**1987 Construction and Improvement Bonds:** These bonds were issued at a rate of 6.50 percent during 1987, with final maturity in fiscal year 2011. The bonds were issued for the acquisition and construction of equipment and facilities. The full faith and credit of the District was pledged for repayment and was repaid with taxes assessed on all property within the District.

**2009 Qualified School Construction Bonds, Series 2009A:** On October 8, 2009, the District issued \$5,000,000 in voted general obligation bonds for constructing, renovating, and equipping school facilities. The term bond, with an interest rate of 1.64 percent, was issued for a fifteen year period, with final maturity in fiscal year 2025. The bonds are being retired through the Bond Retirement Debt Service Fund.

The bonds are subject to mandatory sinking fund redemption. The District has covenanted that it will make equal annual deposits of \$269,580 to an account maintained with the Bond Registrar on each July 15 until the Bonds mature, commencing July 15, 2010. Such amounts, together with the interest thereon are expected by the District to be sufficient to retire the Bonds upon their final maturity. The remaining sinking fund deposits will be made as follows:

Period	Deposit
07/15/11	\$269,580
07/15/12	269,580
07/15/13	269,580
07/15/14	269,580
07/15/15	269,580
07/15/16	269,580
07/15/17	269,580
07/15/18	269,580
07/15/19	269,580
07/15/20	269,580
07/15/21	269,580
07/15/22	269,580
07/15/23	269,580
07/15/24	269,580

The remaining principal, in the amount of \$956,300, will be paid at stated maturity on July 15, 2024.

**2009 Qualified School Construction Bonds, Series 2009B:** On December 2, 2009, the District issued \$3,551,617 in voted general obligation bonds for constructing, renovating, and equipping school facilities. The bond issue included current interest serial, capital appreciation, and current interest term bonds of \$325,000, \$56,617 and \$3,170,000, respectively, and had interest rates ranging from 2.00 to 4.75 percent. The bonds are being retired through the Bond Retirement Debt Service Fund.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 11 – DEBT – (CONTINUED)**

The current interest serial bonds bear interest at the rates per year and will mature in the principal amounts and on the following dates:

<u>Maturity Date (January 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$65,000	2.000%
2013	75,000	2.000%
2014	75,000	2.250%
2015	75,000	2.625%

The capital appreciation bonds were issued in the aggregate original principal amount of \$56,617 and mature on December 1, in the years, have the original principal amounts and mature with the accreted values at maturity, as follows:

<u>Maturity Date (January 15)</u>	<u>Original Principal Amount</u>	<u>Accreted Value at Maturity</u>
2016	\$17,391	\$90,000
2017	14,032	95,000
2018	10,727	95,000
2019	8,199	95,000
2020	6,268	95,000

Capital Appreciation Bonds are not subject to redemption prior to maturity.

The Current Interest Term Bonds maturing on January 15, 2022 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2021	\$95,000

The remaining principal amount of such Current Interest Term Bonds (\$100,000) will be paid at stated maturity on January 15, 2022.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 11 – DEBT – (CONTINUED)**

The Current Interest Term Bonds maturing on January 15, 2025 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2023	\$105,000
2024	110,000

The remaining principal amount of such Current Interest Term Bonds (\$115,000) will be paid at stated maturity on January 15, 2025.

The Current Interest Term Bonds maturing on January 15, 2029 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2026	\$170,000
2027	180,000
2028	185,000

The remaining principal amount of such Current Interest Term Bonds (\$195,000) will be paid at stated maturity on January 15, 2029.

The Current Interest Term Bonds maturing on January 15, 2034 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2030	\$205,000
2031	215,000
2032	220,000
2033	230,000

The remaining principal amount of such Current Interest Term Bonds (\$245,000) will be paid at stated maturity on January 15, 2034.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 11 – DEBT – (CONTINUED)**

The Current Interest Term Bonds maturing on January 15, 2037 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2035	\$255,000
2036	265,000

The remaining principal amount of such Current Interest Term Bonds (\$280,000) will be paid at stated maturity on January 15, 2037.

The Current Interest Bonds maturing after January 15, 2019 are subject to redemption at the option of the District, either in whole, or in part, in such order as the District shall determine, on any date on or after January 15, 2019, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

**2009 Qualified School Construction Bonds, Series 2009C:** On December 2, 2009, the District issued \$747,770 in voted general obligation bonds for constructing, renovating, and equipping school facilities. The bonds were issued for the acquisition and construction of equipment and facilities. The bond issue consists of a term bond with an interest rate of 1.90 percent maturing on January 15, 2025. The bonds are being retired through the Bond Retirement Debt Service Fund.

The Bonds maturing on January 15, 2025 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2012	\$50,000
2013	50,000
2014	50,000
2015	50,000
2016	50,000
2017	50,000
2018	50,000
2019	50,000
2020	50,000
2021	50,000
2022	50,000
2023	50,000
2024	50,000

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 11 – DEBT – (CONTINUED)**

The remaining principal amount of such Current Interest Term Bonds (\$50,000) will be paid at stated maturity on January 15, 2025.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2011 are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$115,000	\$241,549	\$356,549
2013	125,000	239,199	364,199
2014	125,000	236,655	361,655
2015	125,000	233,877	358,877
2016	67,391	304,552	371,943
2017-2021	384,226	1,484,455	1,868,681
2022-2026	5,800,000	927,728	6,727,728
2027-2031	980,000	459,392	1,439,392
2032-2036	1,215,000	213,575	1,428,575
2037	280,000	6,650	286,650
Total	<u>\$9,216,617</u>	<u>\$4,347,632</u>	<u>\$13,564,249</u>

The District exceeded its overall debt margin by \$1,404,159 and its unvoted debt margin of \$89,058. Ohio Revised Code 133.06 (1) allows a district to pass a levy in excess of the legal debt margin for the purpose of participating in the Ohio School Facilities Construction program.

**NOTE 12 – FUND BALANCE**

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 12 – FUND BALANCE – (CONTINUED)**

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

<b>Fund Balance</b>	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>Building Fund</b>	<b>OSFC Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Restricted for:						
Textbooks	\$82,670					\$82,670
Athletics					\$73,218	73,218
Food Service Operations					132,188	132,188
Debt Retirement		\$791,957				791,957
Capital Improvements					49,745	49,745
Facilities Maintenance					127,534	127,534
Building Construction			\$2,419,243	\$14,957,255		17,376,498
<b>Total Restricted</b>	<b>82,670</b>	<b>791,957</b>	<b>2,419,243</b>	<b>14,957,255</b>	<b>382,685</b>	<b>18,633,810</b>
Assigned for:						
Other	4,456				96,861	101,317
Unpaid Obligations	75,411					75,411
<b>Total Assigned</b>	<b>79,867</b>				<b>96,861</b>	<b>176,728</b>
Unassigned	4,121,658					4,121,658
<b>Total Fund Balance</b>	<b>\$4,284,195</b>	<b>\$791,957</b>	<b>\$2,419,243</b>	<b>\$14,957,255</b>	<b>\$479,546</b>	<b>\$22,932,196</b>

**NOTE 13 - SET-ASIDE CALCULATIONS**

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(CONTINUED)

**NOTE 13 - SET-ASIDE CALCULATIONS – (CONTINUED)**

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

	<b>Textbooks</b>	<b>Capital Acquisition</b>	<b>Totals</b>
Set-Aside Reserve Balance June 30, 2010	\$77,819		\$77,819
Current Year Set Aside Requirement	140,543	\$140,543	281,086
Current Year Qualifying Expenditures	(135,692)		(135,692)
Current Year Offsets		(140,543)	(140,543)
Total	82,670		82,670
Balance Carried Forward To Fiscal Year 2012	82,670		82,670
Set Aside Reserve Balance June 30, 2011	\$82,670		\$82,670

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The District receives financial assistance from Federal and State agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through June 30, 2011 will not have a material adverse effect on the District.

**B. Litigation**

The District is not a party to any legal proceedings.

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Northwest Ohio Area Computer Services Cooperative**

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

The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent school district. The District paid \$19,942 for services rendered through NOACSC. Financial information can be obtained from Ray Burden, who serves as director, at 645 South Main Street, Lima, Ohio 45804.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(CONTINUED)

**NOTE 14 – CONTINGENCIES – (CONTINUED)**

***B. Apollo Career Center***

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

***C. State Support Team Region 1***

The State Support Region 1 (SSTR1) provides specialized core work related to building regional capacity for district, building, and community school implementation of the Ohio Improvement Process (OIP) at a high level. The service region of the SSTR1 includes Defiance, Fulton, Hancock, Henry, Lucas, Ottawa, Paulding, Putnam, Sandusky, Van Wert, Williams, and Wood counties, and Fostoria Community School in Seneca County. The Lucas County Educational Service Center is the fiscal agent for the SSTR1. Executive Director and Single Point of Contact is Sue Zake. Contact information is available at [www.sstr1.org](http://www.sstr1.org).

***D. Northwest Ohio Special Education Regional Resource Center***

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

**NOTE 16 – SUBSEQUENT EVENTS**

**Ohio School Facilities Commission Building Project**

On September 1, 2011, the District awarded the following bids related to the Ohio School Facilities Commission building project:

<u>Contractor</u>	<u>Contract</u>	<u>Bid Amount</u>
Tom Sexton and Assoc.	BP-08A Furniture and Fixtures	\$276,083
Tom Sexton and Assoc.	BP-08B Furniture and Fixtures	237,924
Tom Sexton and Assoc.	BP-08C Furniture and Fixtures	73,907
Martin Public Seating	BP-08D Furniture and Fixtures	58,274

The bids were subsequently approved by the Ohio School Facilities Commission.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i>	Federal CFDA		
Program Title	Number	Receipts	Disbursements
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education:</i>			
National School Lunch Program:			
Cash Assistance	10.555	\$93,594	\$93,594
Non-Cash Assistance (Food Distribution)		48,770	48,770
Total United States Department of Agriculture		<b>\$142,364</b>	<b>\$142,364</b>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	106,430	108,810
ARRA - Special Education Grants to States	84.391		5,181
Education Technology State Grants	84.318	322	322
Improving Teacher Quality State Grants	84.367	29,059	29,059
ARRA - State Fiscal Stabilization Fund - Education State Grants	84.394	347,901	347,901
Education Jobs Fund	84.410	236,581	236,581
Total United States Department of Education		<b>720,293</b>	<b>727,854</b>
<b>Totals</b>		<b>\$862,657</b>	<b>\$870,218</b>

*The accompanying notes are an integral part of this Schedule.*

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

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

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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

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# Dave Yost • Auditor of State

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

Columbus Grove Local School District  
Putnam County  
201 West Cross Street  
Columbus Grove, Ohio 45830-1237

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Columbus Grove Local School District, Putnam County, Ohio (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 23, 2012, wherein we noted the District uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the District implemented Government Accounting Standards Board Statement 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial

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statements will not be prevented, or detected and timely corrected. We consider finding 2011-002 described in the accompanying schedule of findings to be a material weakness.

### **Compliance and Other Matters**

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

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

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



**Dave Yost**  
Auditor of State

January 23, 2012



# Dave Yost • Auditor of State

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

Columbus Grove Local School District  
Putnam County  
201 West Cross Street  
Columbus Grove, Ohio 45830-1237

To the Board of Education:

### Compliance

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

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

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

### Internal Control Over Compliance

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

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

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

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



**Dave Yost**  
Auditor of State

January 23, 2012

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Program:</b>	ARRA - State Fiscal Stabilization Fund – Education State Grants CFDA # 84.394  Education Jobs Fund CFDA #84.410
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2011-001**

**Noncompliance Citation**

**Ohio Revised Code § 117.38** provides each public office shall file a financial report for each fiscal year. The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**Ohio Administrative Code § 117-2-03(B)**, which further clarifies the requirements of Ohio Revised Code § 117.38, requires each School District to prepare their annual financial report in accordance with accounting principles generally accepted in the United States of America.

However, the District prepares its financial statements in a cash basis format similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34. This presentation differs from accounting principles generally accepted in the United States of America (GAAP). There would be variances on the financial statements between the District's accounting practice and GAAP which, while presumably material, cannot be reasonably determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

We recommend the District prepare its financial statements in accordance with generally accepted accounting principles.

**Officials' Response**

Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

**FINDING NUMBER 2010-002**

**Material Weakness**

**Monitoring Financial Statements**

Accurate financial reporting is the responsibility of the Treasurer and is essential to ensure the information provided to the readers of the financial statements accurately reflects the District's activity.

The 2011 financial statements contained material errors, such as the following:

- Transfers In and Transfers Out in the amount of \$1,000,000 between special costs centers within the Building Fund were not eliminated on the financial statements.
- Activity associated with the Principal Support Fund was not reclassified to the General Fund as required by GASB Statement No. 54.

Adjusting entries ranging from \$327 to \$ 1,000,000 were posted to the financial statements to correct these and other errors.

To ensure the District's financial statements and notes to the statements are complete and accurate, the Board of Education should adopt policies and procedures, including a final review of the financial statements, management discussion and analysis, and notes to the financial statements to identify and correct errors and omissions.

**Officials' Response:**

We did not receive a response from Officials to this finding.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
--

None

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT  
PUTNAM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2011**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-001	Ohio Administrative Code §117-2-03(B) for filing on a basis other than generally accepted accounting principles.	No	Finding has not been corrected and is repeated in this report as finding 2011-001.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Columbus Grove Local School District  
Putnam County  
201 West Cross Street  
Columbus Grove, Ohio 45830-1237

To the Board of Education:

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

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

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

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

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

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

**Dave Yost**  
Auditor of State

January 23, 2012

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# Dave Yost • Auditor of State

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT**

**PUTNAM COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 7, 2012**