



**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Clyde-Green Springs Exempted Village School District
Sandusky County
106 South Main Street
Clyde, Ohio 43410-1695

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Clyde-Green Springs Exempted Village School District, Sandusky County, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Clyde-Green Springs Exempted Village School District, Sandusky County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

January 16, 2001

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**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000**

| | <u>Governmental Fund Types</u> | | | |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| ASSETS AND OTHER DEBITS | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$4,431,310 | \$258,501 | \$94,740 | \$20,827 |
| Equity in Pooled Cash and Cash Equivalents-Nonexpendable Trusts | | | | |
| Receivables: | | | | |
| Taxes | 5,384,170 | | 256,985 | 201,471 |
| Accounts | 544 | | | |
| Accrued Interest | 57,415 | 357 | 862 | |
| Interfund Receivable | 79,100 | | | |
| Prepaid Items | 85,678 | 1,863 | | |
| Materials and Supplies Inventory | 58,224 | | | |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 165,335 | | | |
| Fixed Assets (Net, where applicable, of Accumulated Depreciation) | | | | |
| Other Debits: | | | | |
| Amount Available in Debt Service Fund for Retirement of Long-Term Obligations | | | | |
| Amount to be Provided from General Government Resources | | | | |
| Total Assets and Other Debits | <u>\$10,261,776</u> | <u>\$260,721</u> | <u>\$352,587</u> | <u>\$222,298</u> |

| Proprietary Fund Type | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) |
|--------------------------|-------------------------|----------------------------|-------------------------------------|--------------------------------|
| | | General Fixed Assets | General Long-Term Obligations | |
| Enterprise | Trust and Agency | | | |
| \$105,778 | \$82,337 | | | \$4,993,493 |
| | 5,346 | | | 5,346 |
| | | | | 5,842,626 |
| | | | | 544 |
| | 317 | | | 58,951 |
| | | | | 79,100 |
| 2,887 | | | | 90,428 |
| 12,951 | | | | 71,175 |
| | | | | 165,335 |
| 134,351 | | \$25,562,176 | | 25,696,527 |
| | | | \$110,030 | 110,030 |
| | | | 4,931,489 | 4,931,489 |
| \$255,967 | \$88,000 | \$25,562,176 | \$5,041,519 | \$42,045,044 |

(Continued)

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000
(Continued)**

| | <u>Governmental Fund Types</u> | | | |
|---|--------------------------------|----------------------------|-------------------------|-----------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| LIABILITIES, FUND EQUITY AND OTHER CREDITS | | | | |
| Liabilities: | | | | |
| Accounts Payable | \$34,836 | \$5,565 | | \$409 |
| Accrued Wages | 1,354,936 | 30,222 | | |
| Compensated Absences Payable | | | | |
| Interfund Payable | | 13,600 | | 65,500 |
| Intergovernmental Payable | 11,992 | | | |
| Deferred Revenue | 4,649,229 | | \$221,907 | 173,970 |
| Accrued Interest Payable | | | 20,650 | |
| Due to Students | | | | |
| Energy Conservation Loan Payable | | | | |
| General Obligation Bonds Payable | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | <u>6,050,993</u> | <u>49,387</u> | <u>242,557</u> | <u>239,879</u> |
| Fund Equity and Other Credits: | | | | |
| Investment in General Fixed Assets | | | | |
| Contributed Capital | | | | |
| Retained Earnings: | | | | |
| Unreserved | | | | |
| Fund Balance: | | | | |
| Reserved for Encumbrances | 999,196 | 29,568 | | 38,735 |
| Reserved for Inventory | 58,224 | | | |
| Reserved for Contributions | | | | |
| Reserved for Property Taxes | 734,941 | | 35,078 | 27,501 |
| Reserved for Debt Service | | | 74,952 | |
| Reserved for Budget Stabilization | 165,335 | | | |
| Designated for Budget Stabilization | 319,952 | | | |
| Unreserved: | | | | |
| Undesignated | 1,933,135 | 181,766 | | (83,817) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Fund Equity and Other Credits | <u>4,210,783</u> | <u>211,334</u> | <u>110,030</u> | <u>(17,581)</u> |
| Total Liabilities, Fund Equity and Other Credits | <u>\$10,261,776</u> | <u>\$260,721</u> | <u>\$352,587</u> | <u>\$222,298</u> |

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

| Proprietary Fund Type | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) |
|--------------------------|-------------------------|----------------------------|-------------------------------------|--------------------------------|
| | | General Fixed Assets | General Long-Term Obligations | |
| Enterprise | Trust and Agency | | | |
| \$118 | \$8,239 | | | \$49,167 |
| 66,905 | | | \$104,916 | 1,556,979 |
| 32,667 | | | 1,573,362 | 1,606,029 |
| | | | | 79,100 |
| | | | | 11,992 |
| 8,615 | | | | 5,053,721 |
| | | | | 20,650 |
| | 57,420 | | | 57,420 |
| | | | 308,241 | 308,241 |
| | | | 3,055,000 | 3,055,000 |
| <u>108,305</u> | <u>65,659</u> | | <u>5,041,519</u> | <u>11,798,299</u> |
| | | \$25,562,176 | | 25,562,176 |
| 21,217 | | | | 21,217 |
| 126,445 | 382 | | | 126,827 |
| | | | | 1,067,499 |
| | | | | 58,224 |
| | 5,000 | | | 5,000 |
| | | | | 797,520 |
| | | | | 74,952 |
| | | | | 165,335 |
| | | | | 319,952 |
| | 16,959 | | | 2,048,043 |
| <u>147,662</u> | <u>22,341</u> | <u>25,562,176</u> | | <u>30,246,745</u> |
| <u>\$255,967</u> | <u>\$88,000</u> | <u>\$25,562,176</u> | <u>\$5,041,519</u> | <u>\$42,045,044</u> |

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000**

| | <u>Governmental Fund Types</u> | |
|--|--------------------------------|----------------------------|
| | <u>General</u> | <u>Special Revenue</u> |
| Revenues: | | |
| Taxes | \$5,287,053 | |
| Intergovernmental | 6,987,833 | \$816,753 |
| Interest | 321,893 | 1,748 |
| Increase (Decrease) in Fair Market Value of Investments | (20,501) | |
| Tuition and Fees | 59,123 | 310 |
| Extracurricular Activities | | 176,878 |
| Gifts and Donations | | 51,388 |
| Miscellaneous | 221,431 | 42,224 |
| Total Revenues | <u>12,856,832</u> | <u>1,089,301</u> |
| Expenditures: | | |
| Current: | | |
| Instruction: | | |
| Regular | 6,432,718 | 70,298 |
| Special | 1,278,984 | 215,840 |
| Vocational | 17,384 | |
| Other | 64,784 | 63 |
| Support Services: | | |
| Pupils | 642,612 | 54,103 |
| Instructional Staff | 499,883 | 329,202 |
| Board of Education | 22,360 | |
| Administration | 1,121,031 | 169,912 |
| Fiscal | 360,162 | 4,321 |
| Business | 13,211 | |
| Operation and Maintenance of Plant | 1,200,954 | 6,932 |
| Pupil Transportation | 716,177 | 11,504 |
| Central | 24,300 | 3,155 |
| Non-Instructional Services | | 36,953 |
| Extracurricular Activities | 341,138 | 204,265 |
| Capital Outlay | 297,706 | 9,840 |
| Debt Service: | | |
| Principal Retirement | | |
| Interest and Fiscal Charges | | |
| Total Expenditures | <u>13,033,404</u> | <u>1,116,388</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(176,572)</u> | <u>(27,087)</u> |
| Other Financing Sources (Uses): | | |
| Proceeds from Sale of Fixed Assets | 620 | |
| Refund of Prior Year Expenditures | 3,784 | |
| Other Financing Sources | 322 | 26,455 |
| Operating Transfers In | | 2,883 |
| Operating Transfers Out | (97,401) | (2,883) |
| Total Other Financing Sources (Uses) | <u>(92,675)</u> | <u>26,455</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(269,247)</u> | <u>(632)</u> |
| Fund Balances at Beginning of Year | 4,489,697 | 211,966 |
| Decrease in Reserve for Inventory | (9,667) | |
| Fund Balances at End of Year | <u><u>\$4,210,783</u></u> | <u><u>\$211,334</u></u> |

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

| <u>Governmental Fund Types</u> | | <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|--------------------------------|-----------------------------|--------------------------------|---|
| <u>Debt Service</u> | <u>Capital Projects</u> | <u>Expendable Trust</u> | |
| \$252,689 | \$199,212 | | \$5,738,954 |
| 27,157 | 69,397 | | 7,901,140 |
| 6,196 | 222 | \$910 | 330,969 |
| | | | (20,501) |
| | | | 59,433 |
| | | | 176,878 |
| | | | 51,388 |
| | | | 263,655 |
| <u>286,042</u> | <u>268,831</u> | <u>910</u> | <u>14,501,916</u> |
| | 71,692 | | 6,574,708 |
| | | | 1,494,824 |
| | | | 17,384 |
| | | | 64,847 |
| | | | 696,715 |
| | 1,112 | | 830,197 |
| | | | 22,360 |
| | | | 1,290,943 |
| 6,117 | 4,881 | | 375,481 |
| | | | 13,211 |
| | 11,377 | | 1,219,263 |
| | 8,906 | | 736,587 |
| | | | 27,455 |
| | | | 36,953 |
| | | | 545,403 |
| | 210,237 | | 517,783 |
| 153,457 | | | 153,457 |
| 218,345 | | | 218,345 |
| <u>377,919</u> | <u>308,205</u> | | <u>14,835,916</u> |
| <u>(91,877)</u> | <u>(39,374)</u> | <u>910</u> | <u>(334,000)</u> |
| | | | 620 |
| | | | 3,784 |
| | | | 26,777 |
| 97,401 | | | 100,284 |
| | | | (100,284) |
| <u>97,401</u> | | | <u>31,181</u> |
| 5,524 | (39,374) | 910 | (302,819) |
| 104,506 | 21,793 | 15,956 | 4,843,918 |
| | | | (9,667) |
| <u>\$110,030</u> | <u>(\$17,581)</u> | <u>\$16,866</u> | <u>\$4,531,432</u> |

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual Comparison (Non-GAAP Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000**

| | <u>General Fund</u> | | Variance Favorable (Unfavorable) |
|---|---------------------------|---------------------------|---|
| | Revised Budget | Actual | |
| Revenues: | | | |
| Taxes | \$5,387,221 | \$5,387,220 | (\$1) |
| Intergovernmental | 6,987,832 | 6,987,833 | 1 |
| Interest | 335,526 | 335,526 | |
| Tuition and Fees | 50,892 | 50,892 | |
| Extracurricular Activities | | | |
| Miscellaneous | 220,199 | 220,198 | (1) |
| Total Revenues | <u>12,981,670</u> | <u>12,981,669</u> | <u>(1)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 6,569,380 | 6,446,423 | 122,957 |
| Special | 1,363,125 | 1,288,500 | 74,625 |
| Vocational | 42,154 | 17,384 | 24,770 |
| Other | 102,073 | 64,784 | 37,289 |
| Support Services: | | | |
| Pupils | 692,133 | 662,059 | 30,074 |
| Instructional Staff | 538,241 | 503,652 | 34,589 |
| Board of Education | 41,780 | 22,516 | 19,264 |
| Administration | 1,231,337 | 1,171,001 | 60,336 |
| Fiscal | 376,178 | 360,923 | 15,255 |
| Business | 3,450 | 2,984 | 466 |
| Operation and Maintenance of Plant | 1,500,526 | 1,433,842 | 66,684 |
| Pupil Transportation | 808,261 | 779,231 | 29,030 |
| Central | 33,150 | 28,200 | 4,950 |
| Operation of Non-Instructional Services | | | |
| Extracurricular Activities | 359,910 | 340,914 | 18,996 |
| Capital Outlay | 860,814 | 860,814 | |
| Debt Service: | | | |
| Principal Retirement | | | |
| Interest and Fiscal Charges | | | |
| Total Expenditures | <u>14,522,512</u> | <u>13,983,227</u> | <u>539,285</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,540,842)</u> | <u>(1,001,558)</u> | <u>539,284</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Fixed Assets | 620 | 620 | |
| Refund of Prior Year Expenditures | 3,784 | 3,784 | |
| Advances In | 137,788 | 137,789 | 1 |
| Advances Out | (200,000) | (79,100) | 120,900 |
| Operating Transfers In | | | |
| Operating Transfers Out | (100,000) | (97,401) | 2,599 |
| Total Other Financing Sources (Uses) | <u>(157,808)</u> | <u>(34,308)</u> | <u>123,500</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(1,698,650)</u> | <u>(1,035,866)</u> | <u>662,784</u> |
| Fund Balances (Deficit) at Beginning of Year | 4,631,668 | 4,631,668 | |
| Prior Year Encumbrances Appropriated | 463,624 | 463,624 | |
| Fund Balances at End of Year | <u>\$3,396,642</u> | <u>\$4,059,426</u> | <u>\$662,784</u> |

| Special Revenue Funds | | | Debt Service Fund | | |
|-----------------------|------------------|----------------------------------|-------------------|-----------------|----------------------------------|
| Revised Budget | Actual | Variance Favorable (Unfavorable) | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| \$892,238 | \$818,629 | (\$73,609) | \$241,175 | \$259,575 | \$18,400 |
| 1,291 | 1,522 | 231 | 27,157 | 27,158 | 1 |
| 2,000 | 310 | (1,690) | 5,881 | 6,612 | 731 |
| 293,856 | 176,878 | (116,978) | | | |
| 47,200 | 118,191 | 70,991 | | | |
| <u>1,236,585</u> | <u>1,115,530</u> | <u>(121,055)</u> | <u>274,213</u> | <u>293,345</u> | <u>19,132</u> |
| 152,621 | 137,640 | 14,981 | | | |
| 253,260 | 212,720 | 40,540 | | | |
| 2,000 | 63 | 1,937 | | | |
| 64,213 | 56,785 | 7,428 | | | |
| 396,348 | 329,959 | 66,389 | | | |
| 204,423 | 177,488 | 26,935 | | | |
| 4,371 | 4,321 | 50 | 6,117 | 6,117 | |
| 6,813 | 6,763 | 50 | | | |
| 11,554 | 11,504 | 50 | | | |
| 3,205 | 3,155 | 50 | | | |
| 69,441 | 43,829 | 25,612 | | | |
| 279,224 | 215,816 | 63,408 | | | |
| 20,500 | 9,840 | 10,660 | | | |
| | | | 153,457 | 153,457 | |
| | | | 223,927 | 219,714 | 4,213 |
| <u>1,467,973</u> | <u>1,209,883</u> | <u>258,090</u> | <u>383,501</u> | <u>379,288</u> | <u>4,213</u> |
| <u>(231,388)</u> | <u>(94,353)</u> | <u>137,035</u> | <u>(109,288)</u> | <u>(85,943)</u> | <u>23,345</u> |
| 6,800 | 13,600 | 6,800 | | | |
| | (2,883) | (2,883) | | | |
| 2,883 | 2,883 | | 97,500 | 97,401 | (99) |
| | (4,812) | (4,812) | | | |
| <u>9,683</u> | <u>8,788</u> | <u>(895)</u> | <u>97,500</u> | <u>97,401</u> | <u>(99)</u> |
| (221,705) | (85,565) | 136,140 | (11,788) | 11,458 | 23,246 |
| 308,932 | 308,932 | | 83,282 | 83,282 | |
| 78,343 | 78,343 | | | | |
| <u>\$165,570</u> | <u>\$301,710</u> | <u>\$136,140</u> | <u>\$71,494</u> | <u>\$94,740</u> | <u>\$23,246</u> |

(Continued)

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual Comparison (Non-GAAP Budget Basis)
All Governmental and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000
(Continued)**

| | <u>Capital Projects Funds</u> | | |
|--|-------------------------------|------------------------|---|
| | <u>Revised Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| Revenues: | | | |
| Taxes | \$227,224 | \$204,445 | (\$22,779) |
| Intergovernmental | 70,851 | 69,397 | (1,454) |
| Interest | 222 | 222 | |
| Tuition and Fees | | | |
| Extracurricular Activities | | | |
| Miscellaneous | | | |
| Total Revenues | <u>298,297</u> | <u>274,064</u> | <u>(24,233)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 15,444 | 15,444 | |
| Special | | | |
| Vocational | | | |
| Other | | | |
| Support Services: | | | |
| Pupils | | | |
| Instructional Staff | 1,112 | 1,112 | |
| Board of Education | | | |
| Administration | | | |
| Fiscal | 6,100 | 4,881 | 1,219 |
| Business | | | |
| Operation and Maintenance of Plant | 14,269 | 11,377 | 2,892 |
| Pupil Transportation | 10,000 | 9,648 | 352 |
| Central | | | |
| Operation of Non-Instructional Services | | | |
| Extracurricular Activities | | | |
| Capital Outlay | 248,121 | 246,691 | 1,430 |
| Debt Service: | | | |
| Principal Retirement | | | |
| Interest and Fiscal Charges | | | |
| Total Expenditures | <u>295,046</u> | <u>289,153</u> | <u>5,893</u> |
| Excess of Revenues Over (Under) Expenditures | <u>3,251</u> | <u>(15,089)</u> | <u>(18,340)</u> |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Fixed Assets | | | |
| Refund of Prior Year Expenditures | | | |
| Advances In | 65,500 | 65,500 | |
| Advances Out | | (132,977) | (132,977) |
| Operating Transfers In | | | |
| Operating Transfers Out | | | |
| Total Other Financing Sources (Uses) | <u>65,500</u> | <u>(67,477)</u> | <u>(132,977)</u> |
| Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 68,751 | (82,566) | (151,317) |
| Fund Balances (Deficit) at Beginning of Year | 64,250 | 64,250 | |
| Prior Year Encumbrances Appropriated | <u>53,075</u> | <u>53,075</u> | |
| Fund Balances at End of Year | <u>\$186,076</u> | <u>\$34,759</u> | <u>(\$151,317)</u> |

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

Totals (Memorandum Only)

| Revised Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------|---------------------------|---|
| \$5,855,620 | \$5,851,240 | (\$4,380) |
| 7,978,078 | 7,903,017 | (75,061) |
| 342,920 | 343,882 | 962 |
| 52,892 | 51,202 | (1,690) |
| 293,856 | 176,878 | (116,978) |
| 267,399 | 338,389 | 70,990 |
| <u>14,790,765</u> | <u>14,664,608</u> | <u>(126,157)</u> |
| 6,737,445 | 6,599,507 | 137,938 |
| 1,616,385 | 1,501,220 | 115,165 |
| 42,154 | 17,384 | 24,770 |
| 104,073 | 64,847 | 39,226 |
| 756,346 | 718,844 | 37,502 |
| 935,701 | 834,723 | 100,978 |
| 41,780 | 22,516 | 19,264 |
| 1,435,760 | 1,348,489 | 87,271 |
| 392,766 | 376,242 | 16,524 |
| 3,450 | 2,984 | 466 |
| 1,521,608 | 1,451,982 | 69,626 |
| 829,815 | 800,383 | 29,432 |
| 36,355 | 31,355 | 5,000 |
| 69,441 | 43,829 | 25,612 |
| 639,134 | 556,730 | 82,404 |
| 1,129,435 | 1,117,345 | 12,090 |
| 153,457 | 153,457 | |
| 223,927 | 219,714 | 4,213 |
| <u>16,669,032</u> | <u>15,861,551</u> | <u>807,481</u> |
| <u>(1,878,267)</u> | <u>(1,196,943)</u> | <u>681,324</u> |
| 620 | 620 | |
| 3,784 | 3,784 | |
| 210,088 | 216,889 | 6,801 |
| (200,000) | (214,960) | (14,960) |
| 100,383 | 100,284 | (99) |
| (100,000) | (102,213) | (2,213) |
| <u>14,875</u> | <u>4,404</u> | <u>(10,471)</u> |
| (1,863,392) | (1,192,539) | 670,853 |
| 5,088,132 | 5,088,132 | |
| 595,042 | 595,042 | |
| <u>\$3,819,782</u> | <u>\$4,490,635</u> | <u>\$670,853</u> |

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Statement of Revenues, Expenses and Changes in Fund Equity
All Proprietary and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000**

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|--|----------------------------------|--------------------------------|---|
| | <u>Enterprise</u> | <u>Nonexpendable Trust</u> | |
| Operating Revenues: | | | |
| Sales | \$435,811 | | \$435,811 |
| Interest | | \$311 | 311 |
| Total Operating Revenue | <u>435,811</u> | <u>311</u> | <u>436,122</u> |
| Operating Expenses: | | | |
| Salaries | 225,721 | | 225,721 |
| Fringe Benefits | 91,503 | | 91,503 |
| Purchased Services | 17,437 | 350 | 17,787 |
| Materials and Supplies | 12,509 | | 12,509 |
| Cost of Sales | 235,705 | | 235,705 |
| Depreciation | 17,458 | | 17,458 |
| Total Operating Expenses | <u>600,333</u> | <u>350</u> | <u>600,683</u> |
| Operating Loss | <u>(164,522)</u> | <u>(39)</u> | <u>(164,561)</u> |
| Non-Operating Revenues: | | | |
| Federal Donated Commodities | 47,013 | | 47,013 |
| Interest | 5,063 | | 5,063 |
| Operating Grants | 134,431 | | 134,431 |
| Total Non-Operating Revenues | <u>186,507</u> | | <u>186,507</u> |
| Net Income (Loss) | 21,985 | (39) | 21,946 |
| Depreciation on Fixed Assets Acquired by Contributed Capital | 3,924 | | 3,924 |
| Retained Earnings/Fund Balance at Beginning of Year | <u>100,536</u> | <u>5,514</u> | <u>106,050</u> |
| Retained Earnings/Fund Balance at End of Year | <u>126,445</u> | <u>5,475</u> | <u>131,920</u> |
| Contributed Capital at Beginning of Year | 8,757 | | 8,757 |
| Total Capital Contributed During the Year | 16,384 | | 16,384 |
| Depreciation on Fixed Assets Acquired by Contributed Capital | <u>(3,924)</u> | | <u>(3,924)</u> |
| Contributed Capital at End of Year | <u>21,217</u> | | <u>21,217</u> |
| Total Fund Equity at End of Year | <u>\$147,662</u> | <u>\$5,475</u> | <u>\$153,137</u> |

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

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**Combined Statement of Cash Flows
All Proprietary and Similar Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2000**

| | <u>Proprietary Fund Type</u> | <u>Fiduciary Fund Type</u> | <u>Totals (Memorandum Only)</u> |
|--|----------------------------------|--------------------------------|---|
| | <u>Enterprise</u> | <u>Nonexpendable Trust</u> | |
| Cash Flows from Operating Activities: | | | |
| Cash Received from Customers | \$435,811 | | \$435,811 |
| Cash Received from Interest Income (Nonexpendable Trusts Only) | | \$314 | 314 |
| Cash Payments to Suppliers for Goods and Services | (217,631) | (350) | (217,981) |
| Cash Payments to Employees for Services | (233,885) | | (233,885) |
| Cash Payments for Employee Benefits | (81,893) | | (81,893) |
| | <u>(97,598)</u> | <u>(36)</u> | <u>(97,634)</u> |
| Net Cash Used by Operating Activities | | | |
| Cash Flows from Noncapital Financing Activities: | | | |
| Operating Grants Received | 134,431 | | 134,431 |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Payments for Capital Acquisitions | (18,027) | | (18,027) |
| Cash Flows from Investing Activities: | | | |
| Interest on Investments | 5,063 | | 5,063 |
| Net Increase in Cash and Cash Equivalents | 23,869 | (36) | 23,833 |
| Cash and Cash Equivalents at Beginning of Year | 81,909 | 5,382 | 87,291 |
| Cash and Cash Equivalents at End of Year | <u>\$105,778</u> | <u>\$5,346</u> | <u>\$111,124</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Operating (Loss) | (\$164,522) | (\$36) | (\$164,558) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 17,458 | | 17,458 |
| Non-Operating change in accruals | 47,013 | | 47,013 |
| Changes in Assets and Liabilities: | | | |
| (Increase)/Decrease in Prepaid Items | 373 | | 373 |
| (Increase)/Decrease in Materials and Supplies Inventory | 6,097 | | 6,097 |
| Increase/(Decrease) in Accounts Payable | 118 | | 118 |
| Increase/(Decrease) in Accrued Wages | 1,305 | | 1,305 |
| Increase/(Decrease) in Compensated Absences Payable | (232) | | (232) |
| Increase/(Decrease) in Deferred Revenue | (5,208) | | (5,208) |
| | <u>66,924</u> | | <u>66,924</u> |
| Total Adjustments | <u>66,924</u> | | <u>66,924</u> |
| Net Cash Provided (Used) by Operating Activities | <u>(\$97,598)</u> | <u>(\$36)</u> | <u>(\$97,634)</u> |

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

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**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

1. DESCRIPTION OF THE ENTITY

Clyde-Green Springs Exempted Village School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Clyde-Green Springs Exempted Village School District is an exempted village school district as defined by § 3311.04 of the Ohio Revised Code. The School District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the School District.

Average daily membership (ADM) as of October 1, 1999, was 2362. The School District employed 15 administrative and supervisory personnel, 140 certificated employees and 95 non-certificated employees.

The School District provides regular, vocational and special instruction. The School District also provides support services for the pupils, instructional staff, general and School District administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and nonprogrammed services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Clyde-Green Springs Exempted Village School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the provisions of GASB No. 20 the district has elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989 to its proprietary activities. Election of this approach to accounting for proprietary activities by the district has required no change from prior years. The more significant of the School District's accounting policies are described below:

A. Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary governmental units are prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

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

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

The School District is associated with four organizations, which are defined as jointly governed organizations, insurance pools, and a related organization. These organizations are presented in Notes 18, 19, and 20 to the general-purpose financial statements.

B. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a district's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general-long term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School District. When these assets are held under the terms of a formal trust agreement, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, agency funds and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The School District considers property taxes as available if they are collected within 30 days after year end. A 30 day availability period is also used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, inter-governmental revenue, interest revenue and charges for services.

The proprietary fund type and nonexpendable trust fund are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established time-table. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

2. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

July 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect amounts internally developed by management.

3. Appropriations

A temporary appropriation resolution to control expenditures may be passed on or about July 1 of each year for the period of July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the fund, function level.

The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among functions within a fund may be modified during the year by a resolution of the Board of Education. Several supplemental appropriation resolutions were legally enacted by the Board of Education during the year. The budget figures which appear in the statement of budgetary comparisons represent the final appropriation amounts including all amendments and modifications.

4. Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures.

5. Lapsing of Appropriations

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

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

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances, Budget to Actual (Non-GAAP Budgetary Basis), All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, Budget to Actual (Non-GAAP Budgetary Basis), All Proprietary Fund Types and Similar Fiduciary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

- Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- Outstanding year end encumbrances are treated as expenditures/ expenses (budget basis) rather than as a reservation of fund balance (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the Budget Basis to the GAAP basis are as follows:

| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | | | | |
|---|--------------------|--------------------|-----------------|---------------------|
| Governmental Fund Types | | | | |
| | General | Special Revenue | Debt Service | Capital Projects |
| Budget Basis | (\$1,035,866) | (\$85,565) | \$11,458 | (\$82,566) |
| Adjustments: | | | | |
| Revenue | (262,304) | (13,374) | (7,303) | (70,733) |
| Expenditures | 29,727 | 68,739 | 1,369 | 60,896 |
| Encumbrances | 999,196 | 29,568 | | 53,029 |
| GAAP Basis | <u>(\$269,247)</u> | <u>(\$632)</u> | <u>\$5,524</u> | <u>(\$39,374)</u> |

E. Cash and Investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury, obligations of the State of Ohio, obligations of its political subdivision and agencies, repurchase agreements, State Treasurer's investment pool, bankers' acceptances and commercial paper notes.

During fiscal year 2000, investments were limited to treasury bonds and federal agency securities. Investments are reported at fair value which is based on quoted market prices.

By policy of the Board of Education, investment earnings are assigned to the General Fund, Auxiliary Services Fund, Debt Service Fund, Permanent Improvements Fund, Food Service Fund, the Special Trust Funds, and the Endowment Fund. The General Fund was credited more interest than would have been received based upon its share of the District's investments during fiscal 2000:

| | Interest Actually Received | Interest Based upon Share of Investments | Interest Assigned from Other Funds |
|--------------|----------------------------------|--|--|
| General Fund | <u>\$321,893</u> | <u>\$155,323</u> | <u>\$166,570</u> |

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

For purposes of presentation on the combined balance sheet and in the combined statement of cash flows, cash and cash equivalents are defined as equity in pooled cash and cash equivalents and investments with original matures of three months or less at the time they are acquired by the district.

F. Interfund Receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "Interfund Receivable" or "Interfund Payable" on the balance sheet.

G. Inventories

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost (first in, first out) or market and consists of expendable supplies for resale. The costs of inventory items are recognized as expenditures in governmental fund types when purchased and expenses in the proprietary fund types when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items.

I. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of curbs, gutters, sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on assets acquired with tax-exempt debt.

The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

J. Compensated Absences

Vested or accumulated vacation leave expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Sick leave benefits are accrued as a liability using the "termination payment method". The termination payment method accrues a liability that is based entirely on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The estimate is based on past experience. This estimate (ratio) is then applied to employee's sick leave balances and current wage rates at fiscal year end. This liability is posted to the general long-term obligations account group for governmental funds. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

L. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from other funds. Fund balances are reserved for encumbrances, inventory, contributions, property taxes, debt service and budget stabilization. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

M. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1998, the School District received a \$67,853.08 refund from the Bureau of Workers' Compensation which State statute required to be included in this reserve. During fiscal year 1999 the Board of Education increased this reserve to \$165,335. A fund balance reserve has also been established. For fiscal year 2000 no additional reserve was required by State statute.

P. Estimates

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

3. ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

Fund balances at June 30, 2000 included the following individual fund deficits:

| | <u>Deficit Balance</u> |
|-------------------------------|------------------------|
| <u>Capital Projects Fund:</u> | |
| Permanent Improvement | <u>(\$17,581)</u> |

This GAAP-basis deficit will be funded by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The General fund provides transfers for deficit balances; however, transfers are made when cash is needed rather than when accruals occur.

4. DEPOSITS AND INVESTMENTS

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

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

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

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

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

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

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

1. United States Treasury Bills, Bonds, Notes, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of interim monies available for investment at any one time.

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 three years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

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

Deposits - At fiscal year-end, the carrying amount of the School District's deposits was \$105,863 and the bank balance was \$933,911. Of the bank balance, \$245,022 was covered by federal depository insurance or by collateral held by a qualified third party trustee in the name of the school district and \$688,889 was held by third party trustees pursuant to § 135.181, Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions.

Investments - The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered for which the securities are held by the School District or the School District's agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

| | Category 1 | Category 2 | Reported Amount | Fair Value |
|---------------------------|----------------|--------------------|--------------------|--------------------|
| Treasury Bonds | \$5,000 | | \$5,000 | \$5,000 |
| Federal Agency Securities | | \$5,053,311 | 5,053,311 | 5,053,311 |
| Total Investments | <u>\$5,000</u> | <u>\$5,053,311</u> | <u>\$5,058,311</u> | <u>\$5,058,311</u> |

The classification of cash and cash equivalents, and investments on the combined financial statements is based on the criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications of deposits and investments according to GASB Statement No. 3 is as follows:

| | Cash and Cash Equivalents/ Deposits | Investments |
|----------------------|--|--------------------|
| GASB Statement No. 9 | \$5,164,174 | |
| Investments | (5,058,311) | \$5,058,311 |
| GASB Statement No. 3 | <u>\$105,863</u> | <u>\$5,058,311</u> |

5. PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised market value. Real property taxes are collected in and intended to finance the year following the year in which they are levied.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50 percent of cost). Tangible personal property taxes attach as a lien and are levied January 1 of the current year, the same year in which collections are made. Tangible personal property assessments are 25 percent of true value.

The assessed value upon which the 1999 taxes were collected was \$175,007,726 of which real and public utility property represented 77.01 percent of the total (\$134,772,590) and tangible personal property represented 22.99 percent (\$40,235,136). The full tax rate for all District operations applied to real property for fiscal year ended June 30, 2000 was \$46.45 per \$1,000 of assessed valuation.

After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$29.9139 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$36.7128 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the School District by the State of Ohio.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of June 30, 2000. Total property tax collections for the next fiscal year are measurable and amounts certified by the county auditor as available for advance on June 30 were recognized as revenue June 30 and are intended to finance 1999/2000 operations. Taxes not available for advance at June 30 were not considered to be available to finance 1999/2000 operations and were therefore offset by a credit to deferred revenue. Deferred revenue consists of real estate taxes for the last half of assessed taxes for calendar year 1999 and assessed taxes of calendar year 2000 and personal property taxes assessed for the last half of calendar year 2000.

6. RECEIVABLES

Receivables at June 30, 2000, consisted of taxes, interest, accounts (billings for user charged services), and intergovernmental receivables arising from grants, entitlement and shared revenues.

All receivables are considered collectable in full. A summary of the principal items of receivables follows:

| | |
|-------------------------|-------------|
| <u>General Fund:</u> | |
| Taxes Receivable | \$5,384,170 |
| Accounts Receivable | 544 |
| Interest on Investments | 57,415 |
| | |
| <u>Special Revenue:</u> | |
| Interest on Investments | 357 |

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

| | |
|------------------------------|---------|
| <u>Debt Service:</u> | |
| Taxes Receivable | 256,985 |
| Interest on Investments | 862 |
| | |
| <u>Capital Projects:</u> | |
| Taxes Receivable | 201,471 |
| | |
| <u>Expendable Trusts:</u> | |
| Interest on Investments | 188 |
| | |
| <u>Nonexpendable Trusts:</u> | |
| Interest on Investments | 129 |

7. FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

| | Balance at 7/1/99 | Additions | Retirements | Balance at 6/30/00 |
|-----------------------------------|----------------------|------------------|-----------------|-----------------------|
| Land | \$401,460 | | | \$401,460 |
| Buildings | 18,905,985 | 205,903 | | 19,111,888 |
| Improvements Other Than Buildings | 748,500 | | | 748,500 |
| Furniture/Equipment | 2,876,677 | 481,099 | 413 | 3,357,363 |
| Vehicles | 1,021,478 | 76,981 | 25,465 | 1,072,994 |
| Books | 681,462 | | | 681,462 |
| Construction in Progress | | 188,509 | | 188,509 |
| Total | \$24,635,562 | \$952,492 | \$25,878 | \$25,562,176 |

The following is a summary of proprietary fund-type fixed assets at June 30, 2000:

| | |
|--------------------------------|---------------------|
| | Enterprise Funds |
| Machinery and Equipment | \$255,848 |
| Less: Accumulated Depreciation | 121,497 |
| Net Fixed Assets | \$134,351 |

In Proprietary Funds, the following estimated useful lives are used to compute depreciation:

| | |
|-----------|------------|
| Buildings | 40 years |
| Equipment | 8-20 years |
| Vehicles | 3-5 years |

8. LONG-TERM OBLIGATIONS

Long-term obligations of the School District as of June 30, 2000, were as follows:

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

| General Long-term Account Group: | Principal Outstanding at 6/30/99 | Additions | Deductions | Principal Outstanding at 6/30/00 |
|-------------------------------------|--|------------------|------------------|--|
| Accrued Wages and Benefits | \$96,448 | \$8,468 | | \$104,916 |
| Compensated Absences | 1,436,988 | 136,374 | | 1,573,362 |
| School Improvement Bonds | 3,130,000 | | \$75,000 | 3,055,000 |
| Energy Conservation | 386,698 | | 78,457 | 308,241 |
| Total | \$5,050,134 | \$144,842 | \$153,457 | \$5,041,519 |

The accrued sick leave benefits recorded above represent the non-current portion of the liability. The current portion has been recorded in the appropriate fund types.

During fiscal year 1994 an energy conservation loan was established under the rules of H.B. 264. The loan was in the amount of \$753,813 at an interest rate of 5.15% with semi-annual payments of \$48,700. Proceeds of this loan were used to make energy improvements to all buildings of the District. The majority of these improvements consisted of lighting retrofits, window replacements and boiler replacements.

During fiscal year 1995 the district issued bonds in the amount of \$3,400,000 for an addition and improvements to Clyde High School. The bonds were issued on January 15, 1995 with serial maturities from 1995 to 2009 at interest rates ranging from 4.80 percent to 6.00 percent and term maturities in 2013 and 2019 at rates of 7.00 percent and 6.10 percent respectively. The bonds are rated "AAA" with MBIA insurance and carry an underlying "A" rating from Moody's Investor Services.

The following is a summary of the School District's future annual debt service requirements to maturity including interest payments of \$32,584 and \$2,363,704:

| Fiscal Year Ending June 30 | Energy Conservation Loan | High School Improvement Bonds |
|-------------------------------|--------------------------------|-------------------------------------|
| 2001 | \$97,401 | \$276,623 |
| 2002 | 97,401 | 272,263 |
| 2003 | 97,401 | 272,683 |
| 2004 | 48,622 | 272,760 |
| 2005 | | 272,510 |
| 2006-2020 | | 4,051,865 |
| Total | \$340,825 | \$5,418,704 |

9. INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2000 consist of the following individual fund receivables and payables:

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

| | <u>Receivable</u> | <u>Payable</u> |
|-------------------------|-------------------|----------------|
| General Fund | \$79,100 | |
| Special Revenue Funds: | | |
| Venture Capital | | \$6,800 |
| Title 6-B | | 3,800 |
| Title 1 | | 3,000 |
| Capital Projects Funds: | | |
| Permanent Improvements | | 62,300 |
| SchoolNet | | 3,200 |
| | \$79,100 | \$79,100 |

B. Transfers between funds during the fiscal year were as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------|---------------------|----------------------|
| General Fund | | \$97,401 |
| Special Revenue Funds | \$2,883 | 2,883 |
| Debt Service Funds | 97,401 | |
| Totals | \$100,284 | \$100,284 |

10. SEGMENT INFORMATION - ENTERPRISE FUND

The government maintains one enterprise fund which is intended to be self-supporting through user fees charged for services to the students. Financial segment information as of and for the fiscal year ended June 30, 2000 is presented below:

| | <u>Food Service</u> |
|-------------------------------------|---------------------|
| Operating Revenues | \$435,811 |
| Operating Expenses | 600,333 |
| Depreciation Expense | 17,458 |
| Operating Loss | (164,522) |
| Net Income | 21,985 |
| Additions to Property and Equipment | 18,027 |
| Net Cash Flow | 23,869 |
| Net Working Capital | 21,926 |
| Total Assets | 255,967 |
| Total Equity | 147,662 |

11. COMPENSATED ABSENCES

A. Sick Leave

All employees are entitled to fifteen (15) days sick leave with pay for each year under contract and accrue sick leave at the rate of one and one-fourth (1¼) days for each calendar month under contract. Sick leave is cumulative to two hundred forty (240) days for certificated employees. Most classified employees may accumulate two hundred thirty (230) days. Twelve month

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

classified personnel, the Superintendent, and Treasurer may accumulate two hundred fifty (250) days.

B. Severance Pay

All employees serving in a regular assignment under contract with the Clyde-Green Springs Board of Education may elect to receive a cash payment at retirement for accrued but unused sick leave. To be eligible, employees must be qualified for retirement benefits under one or more of the STRS, SERS or PERS retirement systems and have performed a minimum of ten (10) years service in one or more Ohio political subdivisions. Payment is to be based on employee's per diem pay rate at the time of retirement. Payment shall be based on 26% of the accrued but unused days of sick leave up to one hundred forty (140) days or a maximum of thirty-six and 4/10 (36.4) days. Persons with ten (10) or more years of experience in the Clyde-Green Springs Exempted Village School District will be paid based on twenty six percent (26%) of the accrued but unused days of sick leave up to two hundred forty (240) days or maximum of sixty-two and 4/10 (62.4) days. Classified employees working less than 12 months with ten (10) or more years of service will be paid based on twenty-six percent (26%) of the accrued by unused days of sick leave up to two hundred thirty (230) days or a maximum of fifty-nine and 8/10 (59.8) days. Twelve month classified personnel, the Superintendent and Treasurer with ten (10) or more years of service will be paid based on twenty-six percent (26%) of the accrued but unused days of sick leave up to two hundred fifty (250) days or maximum of sixty-five (65) days.

12. PENSION AND RETIREMENT PLANS

A. School Employees Retirement System

The Clyde-Green Springs Exempted Village School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215 or by calling (614)222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$290,520, \$265,680, and \$244,524 respectively.

B. State Teachers Retirement System

The Clyde-Green Springs Exempted Village School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$920,177, \$877,860, and \$843,578 respectively.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or State Teachers Retirement System have an option to choose social security or School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, three of the board of education members have elected social security. The board's and the employee's liability is 6.2 percent of wages paid.

13. POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursements of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board allocates employer contributions equal to 2 percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. However, for the fiscal year ended June 30, 1998, the board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$2.783 billion on June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8 percent.

For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$146,149 during the 2000 fiscal year.

14. STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash basis) was as follows:

| | <u>Textbooks</u> | <u>Capital Acquisition</u> | <u>Budget Stabilization</u> | <u>Totals</u> |
|---------------------------------------|--------------------------|--------------------------------|---------------------------------|-------------------------|
| Set-aside balance as of June 30, 1999 | | | \$165,335 | \$165,335 |
| Set-aside Requirement | \$294,037 | \$294,037 | | 588,074 |
| Current Year Offsets | | (242,918) | | (242,918) |
| Qualifying Disbursements | <u>(294,037)</u> | <u>(51,119)</u> | | <u>(345,156)</u> |
| Balance as of June 30, 2000 | <u><u> </u></u> | <u><u> </u></u> | <u><u>\$165,335</u></u> | <u><u>\$165,335</u></u> |

Expenditures for the Textbook Reserve and Capital Acquisition Reserve were \$534,066 and \$811,294 respectively which exceeded the required set-aside.

15. INSURANCE

The School District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90 percent coinsured.

16. WORKERS COMPENSATION

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

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

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

17. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although management expects such amounts, if any, to be immaterial.

The District is unaware of any other contingent liabilities at this time.

18. HEALTH INSURANCE

The School District has joined together with other school districts in the area to form the San-Ott Schools Employee Welfare Benefit Association, whose purpose is to provide health coverage and benefits to and for the eligible employees of Association members and their dependents. The School District pays premiums to the Association based upon the benefits structure selected. The Association Trust Agreement provides that the Association will be self-sustaining through member premiums and will reinsure through commercial companies for specific claims in excess of \$100,000 and aggregate claims in excess of 120 percent of expected claims.

19. JOINTLY GOVERNED ORGANIZATIONS

Northern Ohio Educational Computer Association - The Northern Ohio Educational Computer Association (NOECA) is a jointly governed organization among thirty-eight school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the governments of these schools supports NOECA based upon a per pupil charge dependent upon the software package utilized. The NOECA assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. NOECA is governed by a Board of Directors chosen from the general membership of the NOECA Assembly. The Board of Directors consists of a representative from the fiscal agent, the chairman of each of the operating committees, and two Assembly members from each county in which participating school district is limited to its representation on the Board. Financial information can be obtained by contacting Betty Schwiefert, who serves as controller, at 2900 South Columbus Avenue, Sandusky, Ohio 44870.

Vanguard-Sentinel Career Center - The Vanguard-Sentinel Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of two representatives from Fremont City Schools and one representative from the Clyde-Green Springs Exempted Village School District and each of the other twelve participating school districts' elected boards, which possesses its own budgeting and taxing authority. Accordingly, the Vanguard-Sentinel Career Center is not part of the Clyde-Green Springs Exempted Village School District and its operations are not included as part of the reporting entity. To obtain financial information write to the Vanguard-Sentinel Career Center, Jay Valasek, Treasurer, at 1306 Cedar Street, Fremont, Ohio 43420.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

20. RELATED ORGANIZATION

Clyde Public Library - The library is a separate body politic which provides various educational and literary resources to an area whose borders match the School Districts' with the exception of the Village of Green Springs and the portions of the School District located in Pleasant and Adams Townships, Seneca County. The Library's Board of Trustees is appointed by the School District Board of Education, however the School District does not exercise significant influence over its daily operation, participate in fiscal management or scope of public service, provide financial support, or hold accountability for fiscal matters. Financial information can be obtained by contacting Laurel A. Hendricks, Treasurer, 222 W. Buckeye Street, Clyde, Ohio 43410.

21. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$6,410,096 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly....", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

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**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disburse- ments | Non-Cash Disburse- ments |
|--|----------------------------------|---------------------------|------------------|----------------------|--------------------|--------------------------------|
| UNITED STATES DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| <u>Nutrition Cluster:</u> | | | | | | |
| Food Distribution Program | | 10.550 | | \$41,805 | | \$47,013 |
| National School Lunch Program | 045302 04 PU | 10.555 | \$127,691 | | \$127,691 | |
| Total Department of Agriculture - Nutrition Cluster | | | 127,691 | 41,805 | 127,691 | 47,013 |
| UNITED STATES DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Special Education Grants to States (IDEA Part B) | 045302 6B-SF | 84.027 | 128,843 | | 132,678 | |
| Total Special Education | | | 128,843 | | 132,678 | |
| Grants to Local Educational Agencies (ESEA Title I) | 045302 C1-S1 | 84.010 | 123,454 | | 145,420 | |
| Eisenhower Professional Development | 045302 MS-S1 | 84.281 | 8,479 | | 9,174 | |
| Title VI-R Class Size Reduction | 045302 CR-S1 | 84.340 | 11,031 | | | |
| Innovative Educational Program Strategies | 045302 C2-S1 | 84.298 | 5,248 | | 13,918 | |
| Safe and Drug Free | 045302 DR-S1 | 84.186 | 15,417 | | 9,626 | |
| Technology Literacy Challenge Act Grant | 045302 TF-32 | 84.318 | 221,008 | | 306,308 | |
| Total Department of Education | | | 513,480 | | 617,124 | |
| Totals | | | \$641,171 | \$41,805 | \$744,815 | \$47,013 |

The accompanying notes are an integral part of this schedule.

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B –FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clyde-Green Springs Exempted Village School District
Sandusky County
106 South Main Street
Clyde, Ohio 43410-1695

To the Board of Education:

We have audited the financial statements of Clyde-Green Springs Exempted Village School District, Sandusky County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 16, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated January 16, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. We noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 16, 2001.

Clyde-Green Springs Exempted Village School District
Sandusky County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

January 16, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Clyde-Green Springs Exempted Village School District
Sandusky County
106 South Main Street
Clyde, Ohio 43410-1695

To the Board of Education:

Compliance

We have audited the compliance of Clyde-Green Springs Exempted Village School District, Sandusky County, (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 are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Clyde-Green Springs Exempted Village School District
Sandusky County
Report of Independent Accountants on Compliance with Requirements
Applicable to the Major Federal Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Jim Petro
Auditor of State

January 16, 2001

**CLYDE-GREEN SPRINGS EXEMPTED VILLAGE SCHOOL DISTRICT
SANDUSKY COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under §.510? | No |
| (d)(1)(vii) | Major Programs (list): | Technology Literacy Challenge Act Grant – CFDA #84.318 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



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CLYDE-GREEN SPRING EXEMPTED VILLAGE SCHOOL DISTRICT

SANDUSKY 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 08, 2001**