

**WINDHAM EXEMPTED VILLAGE  
SCHOOL DISTRICT**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2000**



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Education  
Windham Exempted Village School District  
Windham, Ohio

We have reviewed the independent auditor's report of the Windham Exempted Village School District, Portage County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

December 28, 2000

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

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**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**ELECTED OFFICIALS  
AS OF JUNE 30, 2000**

<b>NAME</b>	<b>TITLE</b>	<b>TERM OF OFFICE</b>
Laura Stanley	President	1/1/98-12/31/01
Marilyn John	Vice-President	1/1/98-12/31/01
Terri Attiere	Member	1/1/98-12/31/01
Darryl McGuire	Member	1/1/00-12/31/03
Melissa Roubic	Member	1/1/00-12/31/03

**Statutory Legal Counsel**

Portage County Prosecuting Attorney  
466 Chestnut Street  
Revenna, Ohio 44266

**Official Address**

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio 44288

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**ADMINISTRATIVE PERSONNEL  
AS OF JUNE 30, 2000**

<b><u>TITLE NAME</u></b>	<b><u>TERM OF OFFICE OR CONTRACT PERIOD</u></b>	<b><u>SURETY</u></b>	<b><u>AMOUNT</u></b>	<b><u>PERIOD</u></b>
<b><u>Superintendent</u></b> John J. Grahovac	09/24/99-07/31/01	(A)	\$20,000	1/1/00-1/1/03
<b><u>Treasurer</u></b> Denise P. Latessa	Org. Meeting(00)-(02)	(A)	\$20,000	1/1/00-1/1/02

(A) Nationwide Insurance Company

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY  
INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPE:**

**General Fund Type:**

General Fund

**Special Revenue Fund Type:**

Emergency Levy Fund

Education Support Fund

Other Miscellaneous Grant Fund

Educational Management Information Systems Fund

Library Automation Grant Fund

Facility Maintenance Fund

Athletic Fund

Teacher Development Fund

Public Preschool Fund

Disadvantaged Pupil Program Fund

Instructional Materials Fund

Ohio Reads Grant Fund

Summer Intervention Grant Fund

Venture Capital Fund

Eisenhower Grant Fund

Title I Fund - Special Education Needs of Disadvantaged Children

Title VI-B Fund – Special Education: Assistance to States for Handicapped Children

Title VI Fund – Consolidation of Federal Programs for Elementary and Secondary Education

Special Education Preschool Fund

Drug Free Schools Fund

Goals 2000 Fund

E Rate Fund

**Debt Service Fund Types:**

Bond Retirement Fund

**Capital Projects Fund Types:**

Permanent Improvement Fund

School Net Plus Fund

Classroom Facilities Fund

Technology Equity Fund

**PROPRIETARY FUND TYPE:**

**Enterprise Fund Type:**

Food Service Fund

Uniform Supply fund

**FIDUCIARY FUND TYPE:**

**Trust Fund Type:**

**Expendable and Non-Expendable Trust Funds**

Special Trust Fund

Endowment Funds

**Agency Fund Type**

Student Activity

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio 44288

We have audited the accompanying general-purpose financial statements of the Windham Exempted Village School District as of and for the year ended June 30, 2000. 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 and *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 Windham Exempted Village School District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types 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 a report dated December 6, 2000, on our consideration of the Windham Exempted Village School District's internal control structure 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 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 made for the purpose of forming an opinion on the 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 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 presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Wolfe, Wilson, & Phillips, Inc.  
Zanesville, Ohio  
December 6, 2000

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT**  
**PORTAGE COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<b>ASSETS AND OTHER DEBITS</b>									
<b>ASSETS:</b>									
Equity in pooled cash and cash equivalents . . . . .	\$2,121,176	\$307,932	\$45,349	\$4,449,207	\$2,521	\$12,192			\$6,938,377
Equity in pooled cash and cash equivalents - nonexpendable trust fund . . . . .						24,892			24,892
Receivables (net of allowances of uncollectibles):									
Property taxes - current & delinquent . . . . .	867,554	202,267	72,387						1,142,208
Accounts . . . . .	309	250			19				578
Interfund loan receivable. . . . .	24,600								24,600
Due from other governments. . . . .	200	31,530			21,856				53,586
Prepayments . . . . .	11,989								11,989
Materials and supplies inventory. . . . .					13,063				13,063
Restricted assets:									
Equity in pooled cash and cash equivalents . . . . .	154,600								154,600
Property, plant and equipment (net of accumulated depreciation where applicable). . . . .					13,082		\$23,843,655		23,856,737
<b>OTHER DEBITS:</b>									
Amount available in Debt Service Fund . . . . .								\$49,200	49,200
Amount to be provided for retirement of General Long-Term Obligations . . . . .								2,126,530	2,126,530
<b>Total assets and other debits . . . . .</b>	<b>\$3,180,428</b>	<b>\$541,979</b>	<b>\$117,736</b>	<b>\$4,449,207</b>	<b>\$50,541</b>	<b>\$37,084</b>	<b>\$23,843,655</b>	<b>\$2,175,730</b>	<b>\$34,396,360</b>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT**  
**PORTAGE COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2000

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>									
<b>LIABILITIES:</b>									
Accounts payable . . . . .	\$9,568	\$1,206		\$8,121	\$146				\$19,041
Accrued wages and benefits. . . . .	540,433	99,280			18,415				658,128
Compensated absences payable. . . . .	30,302				11,893			\$624,547	666,742
Contracts payable . . . . .				1,653,875					1,653,875
Pension obligation payable . . . . .	118,820				6,221			66,744	191,785
Interfund loan payable . . . . .		3,480			21,120				24,600
Deferred revenue . . . . .	829,885	190,675	\$68,536		3,318				1,092,414
Due to students . . . . .						\$11,758			11,758
General obligation bonds payable . . . . .								908,387	908,387
Energy conservation bonds payable . . . . .								451,360	451,360
Obligation under capital lease . . . . .								124,692	124,692
<b>Total liabilities . . . . .</b>	<b>1,529,008</b>	<b>294,641</b>	<b>68,536</b>	<b>1,661,996</b>	<b>61,113</b>	<b>11,758</b>		<b>2,175,730</b>	<b>5,802,782</b>
<b>EQUITY AND OTHER CREDITS:</b>									
Investment in general fixed assets. . . . .							\$23,843,655		23,843,655
Accumulated deficit . . . . .					-10,572				-10,572
<b>Fund balances:</b>									
Reserved for encumbrances . . . . .	38,235	5,702		30,936					74,873
Reserved for prepayments . . . . .	11,989								11,989
Reserved for debt service. . . . .			45,349						45,349
Reserved for tax revenue unavailable for appropriation . . . . .	37,669	11,592	3,851						53,112
Reserved for principal endowment. . . . .						24,892			24,892
Reserved for instructional materials . . . . .	44,297								44,297
Reserved for budget stabilization. . . . .	110,303								110,303
Unreserved-undesignated. . . . .	1,408,927	230,044		2,756,275		434			4,395,680
<b>Total equity and other credits. . . . .</b>	<b>1,651,420</b>	<b>247,338</b>	<b>49,200</b>	<b>2,787,211</b>	<b>-10,572</b>	<b>25,326</b>	<b>23,843,655</b>		<b>28,593,578</b>
<b>Total liabilities, equity and other credits . . . . .</b>	<b>\$3,180,428</b>	<b>\$541,979</b>	<b>\$117,736</b>	<b>\$4,449,207</b>	<b>\$50,541</b>	<b>\$37,084</b>	<b>\$23,843,655</b>	<b>\$2,175,730</b>	<b>\$34,396,360</b>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT**  
**PORTAGE COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2000

	Governmental Fund Types				Fiduciary	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
From local sources:						
Taxes . . . . .	\$834,386	\$204,178	\$68,243			\$1,106,807
Tuition . . . . .	2,745					2,745
Earnings on investments . . . . .	232,583	331		\$167,448		400,362
Other local revenues . . . . .	22,451	160,625		6,035		189,111
Other revenue . . . . .		5,000				5,000
Intergovernmental - State . . . . .	5,281,658	600,422	7,572	11,557,803		17,447,455
Intergovernmental - Federal . . . . .	32,239	393,101				425,340
<b>Total revenue . . . . .</b>	<b>6,406,062</b>	<b>1,363,657</b>	<b>75,815</b>	<b>11,731,286</b>		<b>19,576,820</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular . . . . .	3,041,668	388,864		104,536		3,535,068
Special . . . . .	641,972	342,131				984,103
Vocational . . . . .	131,743					131,743
Other . . . . .	52,190					52,190
Support services:						
Pupil . . . . .	232,877	4,676				237,553
Instructional staff . . . . .	204,040	241,422		8,050		453,512
Board of Education . . . . .	57,132					57,132
Administration . . . . .	484,663	99,155				583,818
Fiscal . . . . .	136,925	5,036	1,617			143,578
Business . . . . .	7,074	54,683				61,757
Operations and maintenance . . . . .	639,227	1,000		405		640,632
Pupil transportation . . . . .	339,611	7,204				346,815
Central . . . . .	733	4,940				5,673
Community services . . . . .		235				235
Extracurricular activities . . . . .	126,874	51,541				178,415
Facilities services . . . . .		261		12,946,624		12,946,885
Capital outlay . . . . .	101,700					101,700
Debt service:						
Principal retirement . . . . .	19,752		97,238			116,990
Interest and fiscal charges . . . . .	6,449		78,117			84,566
<b>Total expenditures . . . . .</b>	<b>6,224,630</b>	<b>1,201,148</b>	<b>176,972</b>	<b>13,059,615</b>		<b>20,662,365</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	181,432	162,509	-101,157	-1,328,329		-1,085,545
Other financing sources (uses):						
Operating transfers in . . . . .	217,759		102,925			320,684
Operating transfers out . . . . .	-102,925	-217,759				-320,684
Proceeds of capital lease transaction . . . . .	101,700					101,700
<b>Total other financing sources (uses) . . . . .</b>	<b>216,534</b>	<b>-217,759</b>	<b>102,925</b>			<b>101,700</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses) . . . . .	397,966	-55,250	1,768	-1,328,329		-983,845
Fund balance, July 1 (Restated) . . . . .	1,254,831	302,588	47,432	4,115,540	\$434	5,720,825
Decrease in reserve for inventory . . . . .	-1,377					-1,377
<b>Fund balance, June 30 . . . . .</b>	<b>\$1,651,420</b>	<b>\$247,338</b>	<b>\$49,200</b>	<b>\$2,787,211</b>	<b>\$434</b>	<b>\$4,735,603</b>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
**PORTAGE COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2000

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>															
From local sources:															
Taxes.....	\$880,587	\$880,587	\$0	\$218,632	\$218,632	\$0	\$73,211	\$73,211	\$0	\$0	\$0	\$0	\$1,172,430	\$1,172,430	\$0
Tuition.....	3,443	3,443	0										3,443	3,443	0
Earnings on investments.....	230,901	232,583	1,682	330	331	1				174,465	167,448	(7,017)	405,696	400,362	-5,334
Other local revenues.....	20,328	19,718	-610	160,136	160,099	-37				6,035	6,035	0	186,499	185,852	-647
Other revenue .....				5,000	5,000	0							5,000	5,000	0
Intergovernmental - State.....	5,281,459	5,281,458	-1	592,943	592,943	0	7,572	7,572	0	11,557,803	11,557,803	0	17,439,777	17,439,776	-1
Intergovernmental - Federal.....	31,632	32,239	607	391,413	391,413	0							423,045	423,652	607
<b>Total revenues.....</b>	<b>6,448,350</b>	<b>6,450,028</b>	<b>1,678</b>	<b>1,368,454</b>	<b>1,368,418</b>	<b>-36</b>	<b>80,783</b>	<b>80,783</b>	<b>0</b>	<b>11,738,303</b>	<b>11,731,286</b>	<b>-7,017</b>	<b>19,635,890</b>	<b>19,630,515</b>	<b>-5,375</b>
<b>Expenditures:</b>															
Current:															
Instruction:															
Regular.....	3,049,580	3,046,745	2,835	459,032	435,291	23,741				121,340	121,340	0	3,629,952	3,603,376	26,576
Special.....	682,480	682,037	443	375,755	342,295	33,460							1,058,235	1,024,332	33,903
Vocational.....	118,278	117,152	1,126										118,278	117,152	1,126
Other.....	53,037	52,190	847										53,037	52,190	847
Support services:															
Pupil.....	303,286	302,732	554	12,701	12,381	320				0	0		315,987	315,113	874
Instructional staff.....	231,176	230,872	304	260,550	235,109	25,441				50	50	0	491,776	466,031	25,745
Board of Education.....	59,477	59,463	14							0	0		59,477	59,463	14
Administration.....	576,478	575,175	1,303	96,238	95,362	876							672,716	670,537	2,179
Fiscal.....	183,107	182,157	950	5,036	5,036	0	1,617	1,617	0	0	0		189,760	188,810	950
Business.....	8,325	8,238	87	54,683	54,683	0							63,008	62,921	87
Operations and maintenance.....	684,785	682,324	2,461	1,000	1,000	0				405	405	0	686,190	683,729	2,461
Pupil transportation.....	349,356	347,738	1,618	7,575	7,148	427							356,931	354,886	2,045
Central.....	783	733	50	4,940	4,940	0							5,723	5,673	50
Community services.....				234	234	0				0	0		234	234	0
Extracurricular activities.....	132,275	131,395	880	51,787	51,685	102							184,062	183,080	982
Facilities services.....				266	261	5				12,342,442	12,327,467	14,975	12,342,708	12,327,728	14,980
Debt service:															
Principal retirement.....							97,238	97,238	0				97,238	97,238	0
Interest and fiscal charges.....							78,117	78,117	0				78,117	78,117	0
<b>Total expenditures.....</b>	<b>6,432,423</b>	<b>6,418,951</b>	<b>13,472</b>	<b>1,329,797</b>	<b>1,245,425</b>	<b>84,372</b>	<b>176,972</b>	<b>176,972</b>	<b>0</b>	<b>12,464,237</b>	<b>12,449,262</b>	<b>14,975</b>	<b>20,403,429</b>	<b>20,290,610</b>	<b>112,819</b>
Excess (deficiency) of revenues over (under) expenditures.....	15,927	31,077	15,150	38,657	122,993	84,336	-96,189	-96,189	0	-725,934	-717,976	7,958	-767,539	-660,095	107,444
Other financing sources (uses):															
Refund of prior year's expenditures.....	3,274	3,274	0	470	456	-14							3,744	3,730	-14
Operating transfers in.....	217,759	217,759	0	0	0	0	102,925	102,925	0	0	0		320,684	320,684	0
Operating transfers (out).....	-102,925	-102,925	0	-217,824	-217,824	0							-320,749	-320,749	0
Advances in.....	17,678	17,678	0	3,480	3,480	0							21,158	21,158	0
Advances (out).....	-24,676	-24,601	75										-24,676	-24,601	75
<b>Total other financing sources (uses).....</b>	<b>111,110</b>	<b>111,185</b>	<b>75</b>	<b>-213,874</b>	<b>-213,888</b>	<b>-14</b>	<b>102,925</b>	<b>102,925</b>	<b>0</b>				<b>161</b>	<b>222</b>	<b>61</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses).....	127,037	142,262	15,225	-175,217	-90,895	84,322	6,736	6,736	0	-725,934	-717,976	7,958	-767,378	-659,873	107,505
Fund balances, July 1.....	2,003,019	2,003,019	0	350,210	350,210	0	38,613	38,613	0	5,034,833	5,034,833	0	7,426,675	7,426,675	0
Prior year encumbrances appropriated.....	84,092	84,092	0	41,225	41,225	0				7,132	7,132	0	132,449	132,449	0
<b>Fund balances, June 30.....</b>	<b>\$2,214,148</b>	<b>\$2,229,373</b>	<b>\$15,225</b>	<b>\$216,218</b>	<b>\$300,540</b>	<b>\$84,322</b>	<b>\$45,349</b>	<b>\$45,349</b>	<b>\$0</b>	<b>\$4,316,031</b>	<b>\$4,323,989</b>	<b>\$7,958</b>	<b>\$6,791,746</b>	<b>\$6,899,251</b>	<b>\$107,505</b>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

COMBINED STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN ACCUMULATED DEFICIT/FUND BALANCE  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Nonexpendable Trust	Total (Memorandum Only)
Operating revenues:			
Tuition and fees. . . . .	\$13,155		\$13,155
Sales/charges for services. . . . .	123,047		123,047
Investment earnings. . . . .		\$1,560	1,560
Other operating revenues. . . . .		2,138	2,138
Total operating revenues. . . . .	136,202	3,698	139,900
Operating expenses:			
Personal services . . . . .	118,509		118,509
Contract services . . . . .	1,935		1,935
Materials and supplies. . . . .	149,872		149,872
Depreciation. . . . .	30		30
Other. . . . .	567	5,721	6,288
Total operating expenses . . . . .	270,913	5,721	276,634
Operating loss . . . . .	-134,711	-2,023	-136,734
Nonoperating revenues:			
Operating grants . . . . .	147,019		147,019
Federal commodities . . . . .	16,477		16,477
Total nonoperating revenues. . . . .	163,496		163,496
Net income (loss). . . . .	28,785	-2,023	26,762
Accumulated deficit/fund balance July 1. . . . .	-39,357	26,915	-12,442
Accumulated deficit/fund balance June 30. . . . .	-\$10,572	\$24,892	\$14,320

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT**  
**PORTAGE COUNTY, OHIO**  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2000

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Nonexpendable Trust	
Cash flows from operating activities:			
Cash received from tuition and fees . . . . .	\$13,177		\$13,177
Cash received from sales/service charges . . . . .	123,028		123,028
Cash received from other operations. . . . .		\$2,371	2,371
Cash payments for personal services. . . . .	-149,295		-149,295
Cash payments for contract services. . . . .	-2,013		-2,013
Cash payments for supplies and materials. . . . .	-134,633		-134,633
Cash payments for other expenses. . . . .	-567	-5,721	-6,288
Net cash used in operating activities . . . . .	-150,303	-3,350	-153,653
Cash flows from noncapital financing activities:			
Cash received from operating grants . . . . .	148,993		148,993
Cash received from interfund loans. . . . .	21,120		21,120
Cash payments used in repayment of interfund loans. . . . .	-17,678		-17,678
Net cash provided by noncapital financing activities. . . . .	152,435		152,435
Cash flows from investing activities:			
Interest received. . . . .		1,560	1,560
Net cash provided by investing activities. . . . .		1,560	1,560
Net increase (decrease) in cash and cash equivalents. . . . .	2,132	-1,790	342
Cash and cash equivalents at beginning of year. . . . .	389	26,682	27,071
Cash and cash equivalents at end of year. . . . .	<u>\$2,521</u>	<u>\$24,892</u>	<u>\$27,413</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss. . . . .	-\$134,711	-\$2,023	-\$136,734
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation . . . . .	30		30
Federal donated commodities . . . . .	16,477		16,477
Interest reported as operating income . . . . .		-1,560	-1,560
Changes in assets and liabilities:			
Increase in supplies inventory. . . . .	-1,511		-1,511
Decrease in accounts receivable. . . . .	3	233	236
Decrease in accounts payable . . . . .	-78		-78
Decrease in accrued wages & benefits. . . . .	-19,780		-19,780
Increase in compensated absences payable . . . . .	1,246		1,246
Decrease in pension obligation payable. . . . .	-12,252		-12,252
Increase in deferred revenue. . . . .	273		273
Net cash used in operating activities . . . . .	<u>-\$150,303</u>	<u>-\$3,350</u>	<u>-\$153,653</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

The Windham Exempted Village School District (the ADistrict®) is located in Portage County and is located in the Village of Windham, and portions of surrounding townships.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District ranks as the 466<sup>th</sup> largest by enrollment among the 660 public and community school districts in the State. It currently operates 2 elementary schools, 1 middle school and 1 comprehensive high school. The District employs 57 non-certified, 90 certified (including administrative) full-time and part-time employees to provide services to approximately 1,086 students in grades K through 12 and various community groups.

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

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

**A. The Reporting Entity**

The District's reporting entity has been defined in accordance with GASB Statement No. 14, The Financial Reporting Entity, effective for financial statements for periods beginning after December 15, 1992. A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations are described due to their relationship to the District.

*Jointly Governed Organization:*

Stark Portage Area Computer Consortium (SPARCC)

SPARCC is a data consortium of 31 school districts. SPARCC 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 SPARCC based upon a per pupil charge, dependent upon the software package utilized. In the event of dissolution of the organization, all current members will share in net obligations or asset liquidations in a ratio proportionate to their last twelve months= financial contribution. SPARCC is governed by a Board of Directors consisting of superintendents of the member school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the District does not have any equity interest in SPARCC because a residual interest in the net resources of a joint venture upon dissolution is not equivalent to an equity interest. Financial information can be obtained from the Treasurer for the Stark County Educational Service Center, who serves as fiscal agent, at 2100 39<sup>th</sup> Street NW, Canton, Ohio 44709-2300.

The District is also a participant in two insurance purchasing pools, described in Note 11.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

**B. Fund Accounting**

The District uses funds and account groups to report its financial position and the results of its operations. 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. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

**GOVERNMENTAL FUNDS**

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the District's Governmental Fund Types:

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

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

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

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



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

**PROPRIETARY FUNDS**

Proprietary Funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following are the District's Proprietary Fund Types:

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

**FIDUCIARY FUNDS**

*Trust and Agency Funds* - These funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental funds. Nonexpendable Trust funds are accounted for in essentially the same manner as Proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, or have a measurement focus. Agency funds are reported on a cash basis, with note disclosure regarding items which, in other fund types, would be subject to accrual.

**ACCOUNT GROUPS**

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

*General Fixed Assets Account Group* - This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Funds and Nonexpendable Trust Funds.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

*General Long-Term Obligations Account Group* - This group of accounts is established to account for all long-term obligations of the District except those accounted for in the Proprietary Funds and Nonexpendable Trust Funds.

**C. Measurement Focus/Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental funds and the Expendable Trust fund 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 (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Proprietary funds and the Nonexpendable Trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Proprietary Fund Type and Nonexpendable Trust fund operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is followed for Governmental, Expendable Trust, and Agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as advances on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred, with the following exceptions: general long-term obligation principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental funds.

The Proprietary and Nonexpendable Trust funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense, with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenues.

**D. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2000 is as follows:

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Portage County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2000.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interest loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid.
6. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2000 in the following amounts:

	<u>Increase/(Decrease)</u>
General Fund	\$ 232,535
Special Revenue Funds	137,787
Debt Service Fund	(25,628)
Capital Projects Funds	1,516,082
Expendable Trust	(434)
Enterprise Funds	18,441
Nonexpendable Trust Fund	<u>3,471</u>
Total	<u>\$1,882,254</u>

Although the legal level of budgetary control was established at the fund level of expenditures, the budgetary statements present comparisons at the fund and function level of expenditures as elected by the District Treasurer.

9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract-related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis (Exhibit 1) and as the equivalent of expenditures on a non-GAAP budgetary basis (Exhibit 3) in order to demonstrate legal compliance. Note 15 provides a reconciliation of the budgetary and GAAP basis of accounting. Encumbrances for Enterprise funds are disclosed in Note 12 to the financial statements.

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the District is pooled. Monies for all funds, including Proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as Equity in Pooled Cash and Cash Equivalents® (both unrestricted and restricted) on the combined balance sheet.

During fiscal 2000, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during fiscal 2000 totaled \$232,583, which included \$113,430 assigned from other funds of the District.

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

**F. Inventory**

Inventories of Proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

**G. Prepaids**

Prepayments for Governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At period-end, because prepayments are not available to finance future Governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

**H. Fixed Assets and Depreciation**

**1. General Fixed Assets Account Group**

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than five years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest on debt issued to construct or acquire general fixed assets is not capitalized in the account group. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Asset Account Group.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000

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

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives.

<u>Asset</u>	<u>Life (years)</u>
Furniture, Fixtures and Minor Equipment	5-20

**I. Intergovernmental Revenues**

In Governmental funds, intergovernmental revenues such as entitlements and non-reimbursable grants (to the extent such grants and entitlements relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary fund operations (excluding commodities) are recognized as non-operating revenues in the accounting period in which they are measurable and earned. The District currently participates in various state and federal programs categorized as follows:

Entitlements

General Fund

State Foundation Program  
State Property Tax Relief

Special Revenue Funds

State Property Tax Relief  
Disadvantaged Pupil Impact Aid  
Teacher Development

Debt Service Fund

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Management Information Systems  
Public School Preschool  
Education for Economic Security  
Ohio Reads  
Summer intervention  
Venture Capital  
Peak Grant  
Safe School Help Line  
Title VI-B  
Title I



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Non-Reimbursable Grants - (cont-d)

Special Revenue Funds- (cont)

Title VI  
Preschool  
Drug-Free Schools  
Preschool for the Handicapped  
Performance Incentive Grant  
Raise the Bar Grant  
Title VI-R

Reimbursable Grants

General Fund

School Bus Purchases  
Driver Education  
Vocational Education Travel/Salary

Reimbursable Grants - (cont-d)

Special Revenue Funds

Telecommunications

Proprietary

National School Lunch Program  
National School Milk Program  
Adult Education

Capital Projects Funds

School Net  
Technology Equity

Grants and entitlements amounted to over 90% of the District's operating revenue during the 2000 fiscal year.

**J. Compensated Absences**

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

In accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the termination method; i.e., an accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on sick leave and vacation leave balances at the end of the fiscal year.

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

Accumulated vacation and sick leave of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long Term Obligations Account Group. Vacation and sick leave for employees meeting the above requirements who are paid from Proprietary funds is recorded as an expense when earned.

**K. Long-Term Obligations**

In general, Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from Governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due.

Long-term debt and other obligations financed by Proprietary funds are reported as liabilities in the appropriate Proprietary funds.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000

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

**L. Fund Equity**

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, prepaid assets, debt service, budget stabilization, instructional materials, and tax revenue unavailable for appropriation. In addition, although the Nonexpendable Trust fund uses the total economic resources measurement focus, the fund equity is reserved for the amount of the principal endowment. The reserve for property taxes represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

**M. Statutory Reserves**

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

	<u>Instructional Materials</u>	<u>Capital Improvements</u>	<u>Capital Stabilization</u>	Budget
Set-aside cash balance as of July 1, 2000	\$ 0	\$ 2,695		\$110,303
Current year set-aside requirement	132,084	132,084		0
Current year offsets	0	0		0
Qualifying disbursements	<u>(87,787)</u>	<u>(154,807)</u>		<u>0</u>
Total	<u>44,297</u>	<u>(20,028)</u>		<u>110,303</u>
Cash balance carried forward to FY 2001	<u>\$ 44,297</u>	<u>\$ 0</u>		<u>\$110,303</u>

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

A schedule of the restricted assets at June 30, 2000 follows:

Amount restricted for budget stabilization	\$110,303
Amount restricted for instructional materials	<u>44,297</u>
Total restricted assets	<u>\$154,600</u>

14. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of Agency funds, which do not report transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as interfund loans receivable or payable. Such interfund loans are repaid in the following fiscal year.
4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service records revenue, and the fund which receives that service records an expenditure/expense.
5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.
6. Long-term interfund loans that will not be repaid within the next year are termed advances and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources.

An analysis of the District's interfund transactions for fiscal year 2000 is presented in Note 5.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

**O. Statement of Cash Flows**

In September 1989, GASB issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds in Governmental Entities That Use Proprietary Fund Accounting. The District has presented (Exhibit 5) a statement of cash flows for its Proprietary and Nonexpendable Trust funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase).

**P. Financial Reporting for Proprietary and Similar Fund Types**

The District's financial statements have been prepared in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**Q. Restricted Assets**

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization and other reserves. These reserves are required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily-specified purposes. Fund balance reserves have also been established. See Note 2. M. for statutory reserves.

**R. Estimates**

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

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

**S. 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 GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

1. Change in Basis of Accounting

In prior years, the District has reported Agency funds using the modified accrual basis of accounting. For fiscal 2000, Agency funds are reported using the budget (cash) basis of accounting. No restatement is required because Agency funds do not report results of operations. There were no material receivables in the Agency funds at June 30, 2000.

2. Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2000 included the following individual fund deficits.

	<u>Deficit Balance</u>
<u>Special Revenue Fund</u>	
Teacher Development	\$ (9)
EMIS	(5)
Public School Preschool	(10,556)
DPIA	(37,637)
Preschool Grant	(21)
 <u>Enterprise Fund</u>	
Food Service	(16,097)

These GAAP-basis deficits 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.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**C. Statutory Noncompliance**

The District did not allocate interest to the Food Service fund in accordance with federal regulation.

**D. Prior Period Adjustment**

The District reported at June 30, 1999 an interfund liability of \$25 in the General fund. The District reported at June 30, 1999 an interfund asset of \$25 in the Special Needs Preschool fund. These amounts were actually operating transfers. The effect of this correction at July 1, 1999 is as follows:

	Balance as Originally Presented <u>June 30, 1999</u>	Restated Effect of <u>Correction</u>	Balance <u>July 1, 1999</u>
General fund	\$1,254,806	\$25	\$1,254,831
Special Revenue funds	302,613	(25)	302,588

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

Inactive deposits are public deposits 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.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

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

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

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

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



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

7. Certain bankers= acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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 year-end the carrying amount of the District's deposits was \$284,309 and the bank balance was \$389,445 (both amounts are exclusive of payroll clearance accounts). Of the bank balance:

1. \$100,000 was covered by federal depository insurance.
2. \$289,445 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)**

*Investments:* The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the 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 District's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	<u>Fair Value</u>
Not Subject to Categorization:	
Investment in State	
Treasurer's Investment Pool	<u>\$6,833,560</u>
 Total Investments	 <u>\$6,833,560</u>

The classification of cash and cash equivalents and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9 entitled, 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 cash equivalents per on the combined balance sheet GASB Statement No. 9, and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Equity in Pooled Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$ 7,117,869	
Investments of the Cash		
Management Pool:		
State Treasurer's Investment Pool	<u>(6,833,560)</u>	<u>\$6,833,560</u>
 GASB Statement No. 3	 <u>\$ 284,309</u>	 <u>\$6,833,560</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2000, consist of the following individual interfund loans receivable and payable:

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans (Payable)</u>
General Fund	\$24,600	
<u>Special Revenue Funds</u>		
Public School Preschool		\$ (3,480)
<u>Enterprise Funds</u>		
Food Service	_____	<u>(21,120)</u>
Total Interfund Loans	<u>\$24,600</u>	<u>\$(24,600)</u>

B. The following is a reconciliation of the District's operating transfers for fiscal year 2000:

	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund	\$217,759	\$(102,925)
<u>Special Revenue Funds</u>		
Emergency Levy		(217,759)
Debt Service Fund	<u>102,925</u>	_____
Totals	<u>\$320,684</u>	<u>\$(320,684)</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District.

Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value except for the personal property of rural electric companies which is assessed 50% of market and railroads which are assessed at 29%.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The first \$10,000 of assessed value is exempt from taxation. The District receives a state subsidy in lieu of tax revenue which would otherwise have been collected.

The assessed values upon which the fiscal year 2000 taxes were collected were as follows:

Amount	1999 Second-Half Collections		2000 First-Half Collections	
	Percent	Amount	Percent	
Agricultural/Residential and Other Real Estate	\$29,938,116	80.82	\$30,603,303	88.22
Public Utility Personal	3,820,460	10.31	3,364,300	9.70
Tangible Personal Property	<u>3,284,780</u>	<u>8.87</u>	<u>720,720</u>	<u>2.08</u>
	<u>\$37,043,356</u>	<u>100.00</u>	<u>\$34,688,323</u>	<u>100.00</u>

Tax rate per \$1,000 of  
assessed valuation:

Operations	\$50.35	\$50.35
Debt Service	2.15	2.15
Special Purpose	.50	.50

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 the remainder payable by June 20.

The Portage County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue.

Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end. Available tax advances at June 30, 2000 totaled \$37,669 in the General fund, \$3,851 in the Debt Service fund and \$11,592 in the Special Revenue funds.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees), and intergovernmental grants and entitlements (to the extent such grants and/or entitlements relate to the current fiscal year). All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - Current	\$847,100
Taxes - Delinquent	20,454
Interfund loans	24,600
 <u>Special Revenue Funds</u>	
Taxes - Current	196,711
Taxes - Delinquent	5,556
Due from other governments	31,530
 <u>Debt Service Fund</u>	
Taxes - Current	70,540
Taxes - Delinquent	1,847
 <u>Enterprise Funds</u>	
Due from other governments	21,856

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 8 - FIXED ASSETS**

A summary of the changes in the General Fixed Asset Account Group during the fiscal year follows:

	<u>Balance</u> <u>July 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2000</u>
Land/ Improvements	\$ 441,661	\$ 489,222		\$ 930,883
Buildings	4,211,884	7,426,366		11,638,250
Furniture/ Equipment	1,362,467	875,147		2,237,614
Vehicles	433,464	58,772		492,236
Books	680,582			680,582
Construction in progress	<u>1,477,188</u>	<u>12,214,377</u>	<u>\$(5,827,475)</u>	<u>7,864,090</u>
Total	<u>\$8,607,246</u>	<u>\$21,063,884</u>	<u>\$(5,827,475)</u>	<u>\$23,843,655</u>

A summary of the Proprietary Fund fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$ 119,404
Less Accumulated Depreciation	<u>(106,322)</u>
Net Fixed Assets	<u>\$ 13,082</u>

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

In prior years, and in the current year, the District has entered into capitalized leases for the acquisition of copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by FASB Statement No. 13, Accounting for Leases, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. New leases in fiscal 2000 have been accounted for as a capital outlay expenditure and other financing source.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000

**NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)**

Capital lease payments have been reclassified and are reflected as debt service expenditures in the Combined Financial Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types and Expendable Trust Fund. These expenditures are reflected as program/function expenditures on a budgetary basis. General fixed assets acquired by lease have been capitalized in the General Fixed Asset Account Group in the amount of \$171,183, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the General Long-Term Obligations Account Group. Principal payments in the 2000 fiscal year totaled \$19,752. This amount is reflected as debt service principal retirement in the General Fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the future minimum lease payments as of June 30, 2000.

General Long-Term Obligations

<u>Year Ending June 30</u>	<u>Copiers</u>
2001	\$ 42,562
2002	38,058
2003	24,542
2004	24,542
2005	<u>16,362</u>
Total future minimum lease payments	<u>146,066</u>
Less: Amount Representing Interest	<u>(21,374)</u>
Present Value of Future Minimum Lease Payments	<u>\$124,692</u>

The District does not have capitalized lease obligations after fiscal year 2005.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 10 - LONG-TERM DEBT**

During the 1998 fiscal year, the District issued general obligation bonds to provide funds for the acquisition and construction of equipment and facilities. These bonds are general obligations of the District, for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to this bond are recorded as an expenditure in the Debt Service fund. The source of payment is derived from a current 2.11 mill bonded debt tax levy.

These general obligation bonds represent the amount of the construction project that the District itself was required to finance, in accordance with the terms of a facilities grant from the Ohio School Facilities Commission (OSFC), as further detailed in Note 16.C. OSFC will make quarterly disbursements to the District as the project is completed. As of June 30, 2000 the total estimated cost of the building project is \$28,028,571, of which OSFC will pay \$27,028,571.

In conjunction with the 2.11 mills which support the bond issue, the District also passed in fiscal 1998 a .5 mill levy to ultimately fund the maintenance costs of the new facility. Tax revenue from this levy has been reported in the Special Revenue funds.

During fiscal year 1998, the District issued unvoted long-term energy conservation bonds, under authority of H.B. 264. Energy conservation bonds outstanding are general obligations of the District, for which the District's full faith and credit are pledged for repayment. Accordingly, these bonds are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these bonds are recorded as expenditures in the General fund; however, unlike general obligation bonds, Ohio statute allows for the issuance of these bonds without voter approval, and the subsequent repayment of the bonds from operating revenues.

**A.** The following is a description of the Windham Exempted Village School District bonds outstanding as of June 30, 2000:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance 7/01/1999</u>	<u>Retired in Fiscal 2000</u>	<u>Bonds Outstanding 06/30/2000</u>
Construction Bond	5.35%	04/15/98	12/01/20	\$ 931,596	\$(23,209)	\$ 908,387
Energy Conservation	5.50%	07/01/97	07/01/05	<u>525,389</u>	<u>(74,029)</u>	<u>451,360</u>
Total				<u>\$1,456,985</u>	<u>\$(97,238)</u>	<u>\$1,359,747</u>



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 10 - LONG-TERM DEBT - (Continued)**

**B.** The following is a summary of the District's future annual debt service requirements to maturity for general obligation and energy conservation bonds:

Year Ending June 30	Principal on General Obligation Construction Bonds	Interest on General Obligation Construction Bonds	Principal on Energy Conservation Bonds	Interest on Energy Conservation Bonds	Total
2001	\$ 24,451	\$ 47,945	\$ 78,101	\$ 24,825	\$ 175,322
2002	25,759	46,602	82,396	20,529	175,286
2003	27,137	45,187	86,928	15,997	175,249
2004	28,589	43,696	91,709	11,216	175,210
2005	30,118	42,126	54,612	6,172	133,028
2006 - 2010	176,556	183,968	57,614	3,169	421,307
2011 - 2015	229,116	130,003			359,119
2016 - 2020	297,321	59,971			357,292
2021	<u>69,340</u>	<u>1,855</u>			<u>71,195</u>
Total	<u>\$908,387</u>	<u>\$601,353</u>	<u>\$415,360</u>	<u>\$81,908</u>	<u>\$2,043,008</u>

**C.** During the year ended June 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Obligations Account Group. Compensated absences and the pension obligation payable will ultimately be paid from the fund from which the employee is paid.

<u>July 1, 1999</u>	Balance <u>Increase</u>	<u>Decrease</u>	<u>June 30, 2000</u>	Balance
Compensated Absences	\$ 818,286		\$(193,739)	\$ 624,547
Pension Obligation Payable	58,754	\$ 66,744	(58,754)	66,744
General Obligation Debt	1,456,985		(97,238)	1,359,747
Capital Leases	<u>42,744</u>	<u>101,700</u>	<u>(19,752)</u>	<u>124,692</u>
Total	<u>\$2,376,769</u>	<u>\$168,444</u>	<u>\$(369,483)</u>	<u>\$2,175,730</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 10 - LONG-TERM DEBT - (Continued)**

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code further provides that unvoted indebtedness for energy conservation measures shall not exceed 9/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$3,121,949 (including available funds of \$49,200), an unvoted debt margin of \$34,688, and an unvoted energy conservation debt margin of (\$139,165).

**NOTE 11 - RISK MANAGEMENT**

*PORTAGE COUNTY SCHOOL CONSORTIUM*

Windham Exempted Village School District participates in the Portage County School Consortium, which is a cooperative entity among 13 educational-service providers formed in 1981 to facilitate effective risk management and to share the cost of providing various insurance coverages and employee benefits. The Health and Welfare Trust is organized under the provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health insurance, disability insurance and life insurance. A third party administrator is retained by the consortium to facilitate the operation of the Health and Welfare Trust. The District pays all insurance premiums directly to the consortium. The insurance agreement with the Portage County School Consortium also provides that the Consortium will reinsure through commercial companies for claims over \$100,000 per employee. Although the District does not participate in the day-to-day management of the Consortium, one of its administrators serves as a trustee of the Consortium's governing board, as provided in the Consortium's enabling authority. Although the District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the Consortium become depleted, it is the opinion of management that the assets of the Consortium are sufficient to meet its claims.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000

**NOTE 11 - RISK MANAGEMENT - (Continued)**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2000 the District contracted with Nationwide Insurance Company for various insurance coverages, as follows:

<u>Insurance Provider</u>	<u>Coverage</u>	<u>Deductible</u>
Nationwide Insurance Company	Automobile	\$250 Comprehensive; \$250 Collision
Nationwide Insurance Company	General Liability	\$0
Nationwide Insurance Company	Property Insurance	\$1,000

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

*OSBA WORKER'S COMPENSATION GROUP RATING*

For fiscal year 2000, the District participated in the Ohio School Boards Association Workers= Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. 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 of the GRP. A participant will then either receive money from or be required to contribute to the AEquity Pooling Fund@. This Aequity pooling@ arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP=s selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The District maintains two Enterprise funds to account for the operations of food service and uniform supply sales. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000:

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenue	\$ 123,047	\$13,155	\$ 136,202
Depreciation Expense	30		30
Operating Income (Loss)	(136,725)	2,014	(134,711)
Non-operating Revenue:			
Operating grants	147,019		147,019
Donated federal commodities	16,447		16,447
Net Income	26,771	2,014	28,785
Net Working Capital	(17,286)	5,525	(11,761)
Total Assets	45,016	5,525	50,541
Long-Term Liabilities			
Payable From Fund Revenues	11,893		11,893
Total Fund Equity	(16,097)	5,525	(10,572)
Encumbrances outstanding as of 6/30/00	100	140	240

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides basic retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14 percent for 2000; 5.55 percent was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$162,283, \$143,664, and \$132,336, respectively; 51 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$78,804, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**2. State Teachers Retirement System**

The 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 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.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$551,873, \$528,384, and \$497,604, respectively; 83 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$92,552 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

3. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2000, members of the Board of Education have elected the School Employees Retirement System.

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the STRS, and to retired non-certified employees and their dependents through the SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations 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 has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$315,356 during the 2000 fiscal year.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999 (the latest information available). As of July 1, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000.

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

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll, an increase from 6.30 percent for fiscal 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 2000, the minimum pay has been established at \$12,400. For the District, the amount to fund health care benefits, including the surcharge, equaled \$90,213 during the 2000 fiscal year. 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.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (the latest information available), were \$126.4 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.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

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

The Combined Statement of Revenue, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, encumbrances are recorded as the equivalent of an expenditure (budget basis) as opposed to a reservation of fund balance for Governmental funds (GAAP basis).



**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the Governmental funds are as follows:

	Governmental Fund Types			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Budget Basis	\$142,262	\$(90,895)	\$ 6,736	\$ (717,976)
Net Adjustment for Revenue Accruals	(43,966)	(4,761)	(4,968)	
Net Adjustment for Expenditure Accruals	147,918	37,464		(735,571)
Net Adjustment for Other Financing Sources/(Uses)	105,349	(3,871)		
Adjustment for Encumbrances	<u>46,403</u>	<u>6,813</u>	<u>          </u>	<u>125,218</u>
GAAP Basis	<u>\$397,966</u>	<u>\$(55,250)</u>	<u>\$ 1,768</u>	<u>\$(1,328,329)</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2000.

**B. Litigation**

As of the balance sheet date, the District was not involved in any litigation as either defendant or plaintiff.

**C. 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 State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's Aschool foundation program, which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$4,882,888 for its General fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total of \$20,639,655 under this program.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 16 - CONTINGENCIES - (Continued)**

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 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 Athorough 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, A...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 A...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 (these programs) and on its financial operations.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 17 - OUTSTANDING CONTRACTUAL COMMITMENTS**

At June 30, 2000, the District had the following outstanding contractual commitments:

**Katherine Thomas Elementary School**

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Balance Remaining</u>
Marruci & Gaffney	\$ 335,816.42	\$ 330,816.42	\$ 5,000.00
Terreri Construction Co., Inc.	283,716.89	270,512.31	13,204.58
Tinkler Construction Co.	2,637,667.74	2,561,646.46	76,021.28
Building Technicians Corp.	550,013.04	527,776.32	22,236.72
Carroll Door & Hardware	172,362.45	170,137.65	2,224.80
Custom Fabricators, Inc.	161,669.00	159,873.16	1,795.84
Schmid Plumbing & Heating, Inc.	90,821.00	83,907.00	6,914.00
Bay Harbour Electric	<u>437,000.00</u>	<u>425,741.86</u>	<u>11,258.14</u>
 Building Totals	 <u>\$4,669,066.54</u>	 <u>\$4,530,411.18</u>	 <u>\$138,655.36</u>

**East Elementary School**

Contractor

Ricciuti Balog & Partners Arch.	\$ 232,148.00	\$ 197,325.80	\$ 34,822.20
Columbus Abatement Co.	126,000.00	106,545.60	19,454.40
Hummel Construction Co.	131,400.00	73,632.50	57,767.50
David Williams & Assoc.	80,920.00	0	80,920.00
Sykes Construction Co., Inc.	2,283,498.00	1,377,108.93	906,389.07
Steingass Mechanical Cont.	222,628.58	167,893.32	54,735.26
A. A. Samuels Sheet Metal Co.	847,350.33	676,108.30	171,242.03
Prout Boiler Heating & Welding	77,850.00	59,498.92	18,351.08
R. B. Thomas Electric Co.	373,865.23	217,511.47	156,353.76
Waller-Duman, Inc.	440,391.00	268,472.00	171,919.00
Sound Com Corp.	<u>1,097,062.95</u>	<u>398,488.00</u>	<u>698,574.95</u>
 Building Totals	 <u>\$5,913,114.09</u>	 <u>\$3,532,584.84</u>	 <u>\$2,380,529.25</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2000**

**NOTE 17 - OUTSTANDING CONTRACTUAL COMMITMENTS - (Continued)**

**Jr./Sr. High School**

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Balance Remaining</u>
Ricciuti Balog & Partners Arch	\$ 830,548.32	\$ 643,674.96	\$ 186,873.36
Greenbriar Development Corp.	133,926.78	126,649.71	7,277.07
Spaulding Construction Co.	3,638,000.00	1,245,648.50	2,392,351.50
Pro-Fab, Inc.	561,880.00	252,248.60	309,631.40
Franklin Roofing, Inc.	671,000.00	181,988.00	489,012.00
Metro Window & Glass Co., Inc.	189,717.00	105,645.44	84,071.56
Republic Storage Systems	86,950.00	0	86,950.00
Rizzi Distributors, Inc.	206,900.00	0	206,900.00
Custom Fabricators, Inc.	420,989.00	94,752.64	326,236.36
Waller-Duman, Inc.	78,200.00	0	78,200.00
Steingass Mechanical Cont.	679,000.00	291,629.04	387,370.96
A. A. Samuels Sheet Metal Co.	2,142,800.00	974,721.95	1,168,078.05
Valley Electrical Consolidated	823,210.00	317,350.70	505,859.30
Greenmoor, Inc.	142,000.00	0	142,000.00
Northern Valley Contractors, Inc.	191,928.72	0	191,928.72
Karvo Paving Company	238,432.00	0	238,432.00
Waller-Duman, Inc.	<u>568,544.00</u>	<u>0</u>	<u>568,544.00</u>
 Building Totals	 <u>\$11,604,025.82</u>	 <u>\$4,234,309.54</u>	 <u>\$7,631,720.60</u>
 Grand Totals	 <u>\$22,186,206.45</u>	 <u>\$12,297,305.56</u>	 <u>\$9,888,900.89</u>

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Sub-Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>						
Pass through Ohio Department of Education						
Nutrition Cluster						
National School Breakfast Program	n/a	10.553	\$ 27,329	\$ -	\$ 27,329	\$ -
National School Lunch Program	n/a	10.555	110,850	-	110,850	-
Total Nutrition Cluster			138,179	-	138,179	-
Food Distribution Program	n/a	10.550	-	14,780	-	16,477
			-	14,780	-	16,477
<b>Total U.S. Department of Agriculture</b>			138,179	14,780	138,179	16,477
<b><u>U.S. DEPARTMENT OF EDUCATION:</u></b>						
Pass through Ohio Department of Education						
Title I Educationally Deprived Children	045666C1S100 045666C1S199	84.010	194,573	-	154,328	-
			-	-	66,827	-
			194,573	-	221,155	-
Special Education Cluster						
Title VI-B Special Education Assistance for handicapped Children	045666BFS00 045666BFS99	84.027	124,672	-	109,579	-
			-	-	9,410	-
Title VI-B Preschool Program	045666P6S00	84.173	7,883	-	7,883	-
Total Special Education Cluster			132,555	-	126,872	-
Drug Free Schools Grant	045666DRS100 045666DRS199	84.186	4,497	-	3,409	-
			396	-	418	-
			4,893	-	3,827	-
Goals 2000 Performance Grant	045666G2S100 045666G2S199	84.276	31,388	-	22,273	-
			-	-	31,416	-
			31,388	-	53,689	-
Eisenhower Professional Dev. Grant	045666MSS00	84.281	3,332	-	3,332	-
			3,332	-	3,332	-
Innovative Education Program Strategies	045666C2S00 045666C2S99 045666C2S98	84.298	5,196	-	3,362	-
			781	-	4,845	-
			-	-	189	-
			5,977	-	8,396	-
Technology Literacy Challenge	456662000 456661999	84.318	62,500	-	37,500	-
			-	-	41,573	-
			62,500	-	79,073	-
Title VI-R Class Size Reduction	045666CRS100	84.340	29,574	-	25,273	-
			29,574	-	25,273	-
<b>Total U.S. Department of Education</b>			464,792	-	521,617	-
<b>Total Federal Awards Expenditures</b>			\$ 602,971	\$ 14,780	\$ 659,796	\$ 16,477

See notes to Schedule of Federal Awards Expenditures.

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

NOTE A – Significant Account Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Districts federal awards programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – Food Distribution

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. Monies are commingled with the state grants. It is assumed that federal monies are expended first.

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio

We have audited the general-purpose financial statements of Windham Exempted Village School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 6, 2000. 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 Windham Exempted Village School District's general-purpose 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 have noted certain immaterial instances of noncompliance that we have reported to management of Windham Exempted Village School District in a separate letter dated December 6, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Windham Exempted Village School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose 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. However, we noted certain matters involving internal control that we have reported to management in a separate letter dated December 6, 2000.



Windham Exempted Village School District  
Report on Compliance and on Internal Control Over Financial Reporting  
Page two

This report is intended for the information of Board of Education, the Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.  
Zanesville, Ohio  
December 6, 2000

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH *OMB CIRCULAR A-133***

Windham Exempted Village School District  
9530 Bauer Avenue  
Windham, Ohio

**Compliance**

We have audited the compliance of Windham Exempted Village School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. Windham Exempted Village School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Windham Exempted Village School District management. Our responsibility is to express an opinion on Windham Exempted Village School District 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Windham Exempted Village School District 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 Windham Exempted Village School District compliance with those requirements.

In our opinion, the Windham Exempted Village School 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, 1999.

### **Internal Control Over Compliance**

The management of Windham Exempted Village School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Windham Exempted Village School Districts' 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*.

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 internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board of Education, the Auditor of State, federal award agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.  
Zanesville, Ohio  
December 6, 2000

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A – 133 SECTION .505**

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT  
PORTAGE COUNTY  
JUNE 30, 2000**

**1. AUDITOR’S RESULTS**

<i>(d)(1)(I)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(II)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	NO
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	NO
<i>(d)(1)(v)</i>	Type of Major Programs’ Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under section .510?	NO
<i>(d)(1)(vii)</i>	Major Programs (List):	Nutrition Cluster #10.553 #10.555 Goals 2000 #84.276
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

NONE

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

NONE



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**WINDHAM EXEMPTED VILLAGE SCHOOL DISTRICT**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 16, 2001**