

**STRYKER LOCAL SCHOOL DISTRICT**

**WILLIAMS COUNTY**

**FINANCIAL STATEMENTS**

*Year Ended June 30, 2000*



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Education  
Stryker Local School District  
Stryker, Ohio

We have reviewed the Independent Auditor's Report of the Stryker Local School District, Williams County, prepared by Steyer & Co., for the audit period July 1, 1999 to 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. Stryker Local School District is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

December 15, 2000

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**STRYKER LOCAL SCHOOL DISTRICT  
400 SOUTH DEFIANCE STREET  
STRYKER, OHIO 43557**

**WILLIAMS COUNTY**

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

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
<b>Board of Education</b>					
Bruce Rosebrock	President	01/01/98 - 12/31/01	(A)	\$20,000	06/24/99 -continuous
John Kurivial	Vice- President	01/01/98 - 12/31/01			
Dennis Sullivan	Member	01/01/00 - 12/31/03			
Nate Johnson	Member	08/28/97 - 12/31/99			
Steve Myers	Member	01/01/98 - 12/31/01			
Diane Wyse	Member	01/01/00 - 12/31/03			

**Statutory Legal Counsel**

William A. Bish, County Prosecuting Attorney  
1210 West High Street  
Bryan, Ohio 43506

(A) Ohio Casualty Insurance Company

**STRYKER LOCAL SCHOOL DISTRICT  
400 SOUTH DEFIANCE STREET  
STRYKER, OHIO 43557**

**WILLIAMS COUNTY**

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

<u>TITLE</u>	<u>CONTRACT PERIOD</u>	<u>SURETY</u>	<u>AMOUNT</u>	<u>PERIOD</u>
<b>Superintendent</b>				
Andrew M. Smith	08/01/98 – 07/31/01	(A)	\$20,000	08/01/98 - 07/31/01
<b>Treasurer</b>				
Amy L. Hendricks	01/01/98 – 12/31/01	(A)	\$20,000	11/07/96 - 12/31/99 01/01/00 - 01/01/02
<b>Assistant Treasurer</b>				
Janet M. Franks	Continuing	(A)	\$2,000	01/01/90 - Indefinite
<b>Cashier</b>				
Judith Frank	Continuing	(A)	\$5,000	08/29/83 - Indefinite

(A) Ohio Casualty Insurance Company

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY**

**INDEX OF FUNDS**

**GOVERNMENTAL FUND TYPES:**

**General Fund Type:**

General Fund

**Special Revenue Fund Type:**

District Managed Student Activity Fund(s)  
Education Management Information System Fund (EMIS)  
Professional Development Grant Fund  
Title VI-B, Special Education: Assistance to States for  
Education of Handicapped Children Fund  
Title I – Financial Assistance to Meet Special Education Needs  
of Disadvantaged Children Fund  
Drug Free School Grant Fund  
Eisenhower Grant  
Textbook Subsidy  
School to Work Grant  
Principal’s Funds  
E-rate Telecommunications Grant  
Summer Intervention Program Grant  
Safe School Helpline Grant

**Debt Service Fund Type:**

Bond Retirement Fund

**Capital Projects Fund Type:**

Permanent Improvements Fund  
School Net Plus

**PROPRIETARY FUND TYPES:**

**Enterprise Fund Type:**

Food Service Fund  
Uniform School Supplies Fund

**FIDUCIARY FUND TYPES:**

**Trust and Agency Fund Types:**

**Expendable Trust Funds:**

Special Trust Fund

**Agency Funds:**

Student Managed Activity Fund(s)

**ACCOUNT GROUPS:**

**General Fixed Assets  
General Long-Term Obligations**

# STEYER & CO.

*Certified Public Accountants*

2000 NORTH CLINTON STREET  
DEFIANCE, OHIO 43512  
PHONE (419) 782-1030  
FAX (419) 782-5298

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Stryker Local School District  
Stryker, Ohio

We have audited the accompanying general purpose financial statements of the Stryker Local 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 *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 District, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund types 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 November 7, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



STEYER & CO.  
Certified Public Accountants

Defiance, Ohio  
November 7, 2000

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
AS OF JUNE 30, 2000**

	GOVERNMENTAL FUND TYPES				PROPRIETARY	FIDUCIARY	ACCOUNT		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	FUND TYPES Enterprise	FUND TYPES Trust and Agency	General Fixed Assets	General Long-term Obligations	
<b>ASSETS AND OTHER DEBITS</b>									
Equity in pooled cash and cash equivalents	\$ 586,715	\$48,877	\$153,127	\$179,583	\$ 19,024	\$ 12,705	\$ -	\$ -	\$ 1,000,031
Cash and cash equivalents with fiscal agent	-	555	-	-	-	-	-	-	555
Receivables									
Taxes	1,055,421	-	-	-	-	-	-	-	1,055,421
Accounts receivable	26,148	2,625	-	-	96	12	-	-	28,881
Due from other governments	143,654	-	-	-	-	-	-	-	143,654
Due from other funds	40,023	-	100,934	-	-	-	-	-	140,957
Materials and supplies inventory	1,174	-	-	-	3,751	-	-	-	4,925
Restricted assets:									
Equity in pooled cash and cash investments	68,134	-	-	-	-	-	-	-	68,134
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-	22,914	-	5,600,501	-	5,623,415
Amount available in debt service fund	-	-	-	-	-	-	-	254,061	254,061
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-	-	-	525,187	525,187
Total Assets and Other Debits	<u>\$1,921,269</u>	<u>\$52,057</u>	<u>\$254,061</u>	<u>\$179,583</u>	<u>\$ 45,785</u>	<u>\$ 12,717</u>	<u>\$ 5,600,501</u>	<u>\$ 779,248</u>	<u>\$ 8,845,221</u>

(Continued)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUP		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-term Obligations	
<b>LIABILITIES</b>									
Accounts payable	\$ 4,463	\$ 2,004	\$ -	\$ -	\$ 1,017	\$ 140	\$ -	\$ -	\$ 7,624
Accrued salaries and benefits	273,353	-	-	-	5,545	-	-	-	278,898
Due to other governments	57,611	74	-	-	4,124	-	-	24,571	86,380
Due to other funds	-	12,329	-	100,934	27,694	-	-	-	140,957
Deferred revenue	953,335	-	-	-	-	-	-	-	953,335
Due to students	-	-	-	-	-	12,393	-	-	12,393
Compensated absences payable	5,583	-	-	-	8,364	-	-	372,735	386,682
Notes payable	-	-	-	-	-	-	-	221,942	221,942
General obligation bonds payable	-	-	-	-	-	-	-	160,000	160,000
Total Liabilities	1,294,345	14,407	-	100,934	46,744	12,533	-	779,248	2,248,211
<b>FUND EQUITY AND OTHER CREDITS</b>									
Investment in general fixed assets	-	-	-	-	-	-	5,600,501	-	5,600,501
Retained earnings	-	-	-	-	(959)	-	-	-	(959)
Fund balances:									
Reserved for encumbrances	151,516	25,963	-	21,785	-	-	-	-	199,264
Reserved for inventory	1,174	-	-	-	-	-	-	-	1,174
Reserve for HB 412	68,134	-	-	-	-	-	-	-	68,134
Reserved for property taxes advances available	102,086	-	-	-	-	-	-	-	102,086
Unreserved: Undesignated	304,014	11,687	254,061	56,864	-	184	-	-	626,810
Total Fund Equity and Other Credits	626,924	37,650	254,061	78,649	(959)	184	5,600,501	-	6,597,010
Total Liabilities and Fund Equity	<u>\$1,921,269</u>	<u>\$52,057</u>	<u>\$254,061</u>	<u>\$179,583</u>	<u>\$ 45,785</u>	<u>\$ 12,717</u>	<u>\$ 5,600,501</u>	<u>\$ 779,248</u>	<u>\$ 8,845,221</u>

The accompanying notes are an integral part of these financial statements.

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>GOVERNMENTAL FUND TYPES</u>				<u>FIDUCIARY FUND TYPES</u>	Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
<b>REVENUES</b>						
Taxes	\$ 1,597,894	\$ -	\$ 60,976	\$ -	\$ -	\$ 1,658,870
Intergovernmental	1,510,437	83,692	5,255	1,200	-	1,600,584
Tuition and fees	12,094	-	-	-	-	12,094
Earnings on investments	68,035	-	-	-	-	68,035
Extracurricular activities	-	84,463	-	-	-	84,463
Miscellaneous	<u>20,901</u>	<u>5,997</u>	<u>-</u>	<u>-</u>	<u>1,333</u>	<u>28,231</u>
Total revenues	3,209,361	174,152	66,231	1,200	1,333	3,452,277
<b>EXPENDITURES</b>						
Instruction:						
Regular	1,684,454	26,375	-	-	-	1,710,829
Special	232,052	32,826	-	-	-	264,878
Vocational	57,314	-	-	-	-	57,314
Other	-	-	-	-	1,330	1,330
Support services:						
Pupils	84,104	17,053	-	-	-	101,157
Instructional staff	150,706	-	-	56	-	150,762
Board of education	8,768	-	-	-	-	8,768
Administration	315,428	1,755	-	-	-	317,183
Fiscal services	159,596	1,669	1,650	-	-	162,915

(Continued)

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Business services	5,185	-	-	-	-	5,185
Operation and maintenance of plant	462,741	-	-	35,429	-	498,170
Pupil transportation	84,665	-	-	-	-	84,665
Central services	(625)	3,656	-	-	-	3,031
Extracurricular activities	78,494	79,757	-	-	-	158,251
Debt Service						
Principal retirement	7,558	-	80,000	-	-	87,558
Interest and fiscal charges	9,295	-	12,500	1,902	-	23,697
Total expenditures	<u>3,339,735</u>	<u>163,091</u>	<u>94,150</u>	<u>37,387</u>	<u>1,330</u>	<u>3,635,693</u>
Excess (deficiency) of revenues over (under) expenditures	(130,374)	11,061	(27,919)	(36,187)	3	(183,416)
<b>OTHER FINANCING SOURCES (USES)</b>						
Gain/loss on sale of assets	-	-	-	-	-	-
Proceeds of Notes	229,500	-	-	-	-	229,500
Other miscellaneous sources (uses) of funds	4,639	354	-	-	-	4,993
Total other financing sources (uses)	<u>234,139</u>	<u>354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,493</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	103,765	11,415	(27,919)	(36,187)	3	51,077
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>523,159</u>	<u>26,235</u>	<u>281,980</u>	<u>114,836</u>	<u>181</u>	<u>946,391</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 626,924</u>	<u>\$ 37,650</u>	<u>\$ 254,061</u>	<u>\$ 78,649</u>	<u>\$ 184</u>	<u>\$ 997,468</u>

The accompanying notes are an integral part of these financial statements.

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
*FOR THE YEAR ENDED JUNE 30, 2000*

	General Fund			Special Revenue Funds			Debt Service Funds		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>REVENUES</b>									
Taxes	\$1,598,096	\$1,610,811	\$ 12,715	\$ -	\$ -	\$ -	\$ 69,311	\$ 69,311	\$ -
Intergovernmental	1,468,453	1,510,768	42,315	148,140	85,167	(62,973)	5,254	5,254	-
Tuition and fees	12,094	12,094	-	-	-	-	-	-	-
Earnings on investments	56,375	59,261	2,886	-	-	-	-	-	-
Extracurricular activities	-	-	-	80,826	84,463	3,637	-	-	-
Miscellaneous	16,622	21,076	4,454	4,375	5,997	1,622	-	-	-
Total revenues	3,151,640	3,214,010	62,370	233,341	175,627	(57,714)	74,565	74,565	-
<b>EXPENDITURES</b>									
Instruction:									
Regular	1,706,971	1,698,463	8,508	72,406	41,177	31,229	-	-	-
Special	257,495	242,001	15,494	34,896	32,841	2,055	-	-	-
Vocational	60,637	58,931	1,706	-	-	-	-	-	-
Other	6,400	-	6,400	-	-	-	-	-	-
Support services:									
Pupils	89,784	85,835	3,949	31,653	17,452	14,201	-	-	-
Instructional staff	172,416	163,501	8,915	14,192	10,220	3,972	-	-	-
Board of education	9,580	8,742	838	-	-	-	-	-	-
Administration	331,434	318,235	13,199	3,150	1,756	1,394	-	-	-
Fiscal services	183,058	179,553	3,505	1,669	1,669	-	2,000	1,650	350
Business services	5,200	5,185	15	-	-	-	-	-	-
Operation and maintenance of plant	582,153	546,106	36,047	-	-	-	-	-	-
Pupil transportation	115,083	91,743	23,340	-	-	-	-	-	-
Central services	2,690	2,586	104	3,664	3,664	-	-	-	-

(Continued)

	General Fund			Special Revenue Funds			Debt Service Funds		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Extracurricular activities	90.105	79.624	10.481	93.160	83.149	10.011	-	-	-
Debt service	<u>16.857</u>	<u>16.853</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142.940</u>	<u>142.902</u>	<u>38</u>
Total expenditures	<u>3,629,863</u>	<u>3,497,358</u>	<u>132,505</u>	<u>254,790</u>	<u>191,928</u>	<u>62,862</u>	<u>144,940</u>	<u>144,552</u>	<u>388</u>
Excess (deficiency) of revenue over (under) expenditures	(478,223)	(283,348)	194,875	(21,449)	(16,301)	5,148	(70,375)	(69,987)	388
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale and loss of assets	200	282	82	-	-	-	-	-	-
Proceeds from bonds/notes	229,500	229,500	-	-	-	-	-	-	-
Transfers - (out) in	(26,000)	-	26,000	-	-	-	-	-	-
Advances - (out) in	(26,900)	(27,723)	(823)	-	12,323	12,323	-	-	-
Other sources (uses)	<u>4,156</u>	<u>4,178</u>	<u>22</u>	<u>260</u>	<u>355</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>180,956</u>	<u>206,237</u>	<u>25,281</u>	<u>260</u>	<u>12,678</u>	<u>12,418</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(297,267)	(77,111)	220,156	(21,189)	(3,623)	17,566	(70,375)	(69,987)	388
Fund balance beginning of year	413,224	491,419	78,195	9,155	20,537	11,382	221,971	223,113	1,142
Prior year encumbrances appropriated	<u>162,756</u>	<u>84,561</u>	<u>(78,195)</u>	<u>15,379</u>	<u>3,997</u>	<u>(11,382)</u>	<u>1,142</u>	<u>-</u>	<u>(1,142)</u>
Fund balance end of year	<u>\$ 278,713</u>	<u>\$ 498,869</u>	<u>\$ 220,156</u>	<u>\$ 3,345</u>	<u>\$20,911</u>	<u>\$ 17,566</u>	<u>\$152,738</u>	<u>\$153,126</u>	<u>\$ 388</u>

The accompanying notes are an integral part of these financial statements.

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2000**

	Capital Projects Funds			Expendable Trust Funds			Totals (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,667,407	\$1,680,122	\$ 12,715
Intergovernmental	1,200	1,200	-	-	-	-	1,623,047	1,602,389	(20,658)
Tuition and fees	-	-	-	-	-	-	12,094	12,094	-
Earnings on investments	-	-	-	-	-	-	56,375	59,261	2,886
Extracurricular activities	-	-	-	-	-	-	80,826	84,463	3,637
Miscellaneous	-	-	-	1,333	1,333	-	22,330	28,406	6,076
Total revenues	1,200	1,200	-	1,333	1,333	-	3,462,079	3,466,735	4,656
<b>EXPENDITURES</b>									
Instruction:									
Regular	-	-	-	-	-	-	1,779,377	1,739,640	39,737
Special	-	-	-	-	-	-	292,391	274,842	17,549
Vocational	-	-	-	-	-	-	60,637	58,931	1,706
Other	-	-	-	1,330	1,330	-	7,730	1,330	6,400
Support services:									
Pupils	-	-	-	-	-	-	121,437	103,287	18,150
Instructional staff	56	56	-	-	-	-	186,664	173,777	12,887
Board of education	-	-	-	-	-	-	9,580	8,742	838
Administration	-	-	-	-	-	-	334,584	319,991	14,593
Fiscal services	-	-	-	-	-	-	186,727	182,872	3,855
Business services	-	-	-	-	-	-	5,200	5,185	15
Operation and maintenance of plant	244,151	86,353	157,798	-	-	-	826,304	632,459	193,845
Pupil transportation	-	-	-	-	-	-	115,083	91,743	23,340
Central services	-	-	-	-	-	-	6,354	6,250	104

(Continued)

	Capital Projects Funds			Expendable Trust Funds			Totals (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Extracurricular activities	-	-	-	-	-	-	183,265	162,773	20,492
Debt service	-	-	-	-	-	-	159,797	159,755	42
Total expenditures	<u>244,207</u>	<u>86,409</u>	<u>157,798</u>	<u>1,330</u>	<u>1,330</u>	-	<u>4,275,130</u>	<u>3,921,577</u>	<u>353,553</u>
Excess (deficiency) of revenue over (under) expenditures	(243,007)	(85,209)	157,798	3	3	-	(813,051)	(454,842)	358,209
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale and loss of assets	-	-	-	-	-	-	200	282	82
Proceeds from bonds/notes	-	-	-	-	-	-	229,500	229,500	-
Transfers - (out) in	-	-	-	-	-	-	(26,000)	-	26,000
Advances - (out) in	-	-	-	-	-	-	(26,900)	(15,400)	11,500
Other sources (uses)	-	-	-	-	-	-	4,416	4,533	117
Total other financing sources (uses)	-	-	-	-	-	-	181,216	218,915	37,699
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(243,007)	(85,209)	157,798	3	3	-	(631,835)	(235,927)	395,908
Fund balance beginning of year	-	182,643	182,643	181	181	-	644,531	917,893	273,362
Prior year encumbrances appropriated	<u>243,007</u>	<u>60,364</u>	<u>(182,643)</u>	-	-	-	<u>422,284</u>	<u>148,922</u>	<u>(273,362)</u>
Fund balance end of year	<u>\$ -</u>	<u>\$157,798</u>	<u>\$ 157,798</u>	<u>\$ 184</u>	<u>\$ 184</u>	<u>\$ -</u>	<u>\$ 434,980</u>	<u>\$ 830,888</u>	<u>\$ 395,908</u>

*The accompanying notes are an integral part of these financial statements.*

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS/FUND BALANCE  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>PROPRIETARY FUND TYPES</u> Enterprise Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$ 91,449
Classroom materials and fees	<u>18,606</u>
Total operating revenues	110,055
<b>OPERATING EXPENSES</b>	
Salaries and wages	59,045
Fringe benefits	20,696
Purchased services	4,115
Materials and supplies	56,807
Depreciation	3,500
Capital Outlay	3,779
Other operating expenses	<u>396</u>
Total operating expenses	148,338
<b>OPERATING LOSS</b>	(38,283)
<b>NON-OPERATING REVENUE</b>	
Intergovernmental	<u>25,858</u>
<b>NET LOSS</b>	(12,425)
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<u>11,466</u>
<b>RETAINED EARNINGS, END OF YEAR</b>	<u>\$ (959)</u>

*The accompanying notes are an integral part of these financial statements.*

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>PROPRIETARY FUND TYPES</u> Enterprise <u>Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (38,283)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	3,500
Decrease in assets:	
Accounts receivable	4,599
Materials and supplies	1,664
Increase (decrease) in liabilities:	
Accounts Payable	1,017
Accrued wages and benefits	(2,653)
Due to other governments	(1,413)
Due to other funds	<u>15,400</u>
Total adjustments	<u>22,114</u>
Net cash used in operating activities	(16,169)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Purchase of fixed assets	(3,900)
Non-operating grants received	<u>25,858</u>
Net cash provided by operating activities	<u>21,958</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,789
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>13,235</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 19,024</u>

*The accompanying notes are an integral part of these financial statements.*

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
JUNE 30, 2000

**Note 1 - Description of the School District and Reporting Entity**

Stryker Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's four instructional/support facilities staffed by 19 non-certified and 36 certified full time teaching personnel who provide services to 571 students and other community members.

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

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

The following organizations are not part of the District entity and are excluded from the accompanying financial statements:

Village of Stryker - The Village government is a separate politic and corporate body. A mayor and council are elected independent of any relationship with the Village and administer the provision of traditional Village services. Council acts as the taxing and budgetary authority for the services provided in the Village.

The School District is associated with organizations which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Joint Vocational School, the Northern Buckeye Education Council's Employee Insurance Benefits Program, and the Northern Buckeye Education Council Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Stryker Local 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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
JUNE 30, 2000

***A. Basis Of Presentation - Fund Accounting***

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group 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.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

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

***General Fund*** The general fund is the operating fund of the School 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 School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

***Debt Service Funds*** Debt service funds are 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).

***Proprietary Fund Types*** Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

***Enterprise Funds*** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent 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 where it has been 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.

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

***Fiduciary Fund Types*** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds include expendable trust, nonexpendable trust, and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. The School District's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

***General Fixed Assets Account Group*** This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

***General Long-Term Obligations Account Group*** This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

***B. Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxpayer assessed income tax, interest, tuition, grants, and student fees.

The School District reports deferred revenues 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. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
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The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Data***

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. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

***Tax Budget*** 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 express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the County Budget Commission for rate determination.

***Estimated Resources*** By 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 School 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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000. Prior to year-end, the School District requested an amended certificate of estimated resources that reflected actual revenue for the fiscal year.

***Appropriations*** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriations or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
JUNE 30, 2000

certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***D. Cash and Cash Equivalents***

To improve cash management, all cash received by the School District Treasurer is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal agents" and represents deposits.

Investments are reported at fair value, which is based on quoted market prices. Investment earnings are allocated as authorized by State statute.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

***E. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve as required by House Bill (HB) 412. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. See note 20 to these financial statements.

***F. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

**STRYKER LOCAL SCHOOL DISTRICT  
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JUNE 30, 2000**

***G. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of \$500 except for the cost of textbooks. This is based primarily on the uniqueness of these items to a school operation and an existing five-year textbook adoption policy. Public domain ("infrastructure") general fixed assets consisting of curbs, gutters, sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of ten years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

***H. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

The School District currently participates in several State and federal programs, categorized as follows:

**Entitlements**

***General Fund***

State Foundation Program  
School Bus Purchase

**Non-Reimbursable Grants**

***Special Revenue Funds***

Title VIB - Flow Through  
Eisenhower Grant/Title II  
Title I  
Title VI  
Drug Free Schools  
Preschool  
Educational Management Information System  
Professional Development

***Capital Projects Funds***

School Net Plus

**Reimbursable Grants**

***General Fund***

Driver Education

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

***Proprietary Funds***

National School Lunch Program  
Government Donated Commodities

***I. Interfund Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables” and “interfund payables”. Long-term interfund loans are classified as “advances to/from other funds” and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***K. Accrued Liabilities and 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, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits 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 expendable available financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Bonds and capital leases are recognized 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.

Under Ohio law, a debt retirement fund must be created and used for the payment of tax anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the activity of the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
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***L. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves***

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for property taxes, inventories of supplies and materials, prepaids, non-expendable trust, encumbrances and budget stabilization reserve. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

***N. Estimates***

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

***O. Total Columns on General Purpose Financial Statements***

Total columns on the general purpose financial statements are captioned "Totals (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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY  
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

**Note 3 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues,

Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual, All Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.
6. Although not part of the appropriated budget, the Drug Free Schools Grant, Preschool Disabilities Grant, Eisenhower Grant and Title VI-B special revenue funds are included as part of the reporting entity when preparing financial statements that conform with GAAP.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for all governmental fund types:

Excess (Deficiency) of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Funds

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$ 103,765	\$ 11,415	\$ (27,919)	\$ (36,187)	\$ 3
Change in receivables and other assets not recognized on budget basis - July 1 to June 30	(53,931)	(705)	66,820	-	-
Change in liabilities not recognized on budget basis - July 1 to June 30	29,034	13,633	(108,887)	(27,237)	-
Reserve for encumbrances - budgetary basis	(155,980)	(27,966)	-	(21,785)	-
Other	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Budgetary Basis	<u>\$ (77,111)</u>	<u>\$ (3,623)</u>	<u>\$ (69,987)</u>	<u>\$ (85,209)</u>	<u>\$ 3</u>

**STRYKER LOCAL SCHOOL DISTRICT**  
**WILLIAMS COUNTY**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
JUNE 30, 2000

**Note 4 - Deposits and Investments**

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

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

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

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

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

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

1. United States treasury 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) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time.

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8. Under limited circumstances, corporate debt interests 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 School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

During fiscal year 2000, the School District had no investments.

At fiscal year end, the School District had \$0 in undeposited cash on hand included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

At fiscal year end, the School District had \$555 in cash and cash equivalents held by the Northwest Education Service Center which is included on the balance sheet as "Cash and cash equivalents with fiscal agent."

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements."

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$1,068,165 and the bank balance was \$1,091,453. \$200,000 of the bank balance was covered by federal depository insurance. \$891,453 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the School District to a successful claim by the FDIC.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits
GASB Statement 9	\$ 1,068,720
GASB Statement 3	\$ 1,068,720

**Note 5 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year.

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Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 2000 taxes are based as follows:

	1999 Second-Half Collections		2000 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 33,405,950	68.84%	\$ 33,932,340	69.64%
Public Utility Personal	8,840,410	18.22%	8,758,410	17.98%
Tangible Personal Property	6,282,830	12.94%	6,030,850	12.38%
Total	<u>\$ 48,529,190</u>	<u>100.00%</u>	<u>\$ 48,721,600</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation				
	\$ 45.20		\$ 39.00	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Williams County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 was \$102,086 and is recognized as revenue. \$102,086 was available to the general fund and \$0 was available to the debt service fund.

**Note 6 - Income Tax**

In 1990, the voters of the Stryker Local School District passed a 1% school income tax on wages earned by residents of the District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ending June 30, 2000, the District recorded income tax revenue of \$451,041 in the General Fund, of which \$143,654 is recorded as a receivable at June 30, 2000.

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**Note 7 - Receivables**

Receivables at June 30, 2000, consisted of taxes, accounts and intergovernmental grants. 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 intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
General Fund:	
Income taxes	\$ 143,654
Total Intergovernmental Receivables	\$ 143,654

**Note 8 - Fixed Assets**

A summary of the changes in General Fixed Assets Account Group is as follows:

	Balance at 6/30/99	Additions	Deductions	Balance at 6/30/00
Land and Land Improvements	\$ 187,875	\$ -	\$ -	\$ 187,875
Buildings	2,939,396	175,375	-	3,114,771
Furniture, fixtures and equipment	1,501,145	33,145	(23,520)	1,510,770
Textbooks and library books	712,476	73,071	-	785,547
Total	\$ 5,340,892	\$ 283,129	\$ (23,520)	\$ 5,600,501

A summary of changes in the Enterprise Fund fixed assets is as follows:

	Balance at 6/30/99	Additions	Deductions	Balance at 6/30/00
Furniture, fixtures and equipment	\$ 104,108	\$ 3,900	\$ -	\$ 108,008
Accumulated depreciation	(81,594)	(3,500)	-	(85,094)
Total	\$ 22,514	\$ 400	\$ -	\$ 22,914

**Note 9 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2000, the School District contracted with The Nationwide Insurance Company for property and general liability insurance. There is a \$500 deductible with a ninety percent co-insurance clause. The Nationwide Insurance Company covers the boiler and machinery with a \$1,000 deductible and a \$10,000 limit.

Professional liability is protected by The Nationwide Insurance Company with a \$1,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible. Vehicles are covered by Nationwide Insurance and hold a \$250 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

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***B. Workers' Compensation***

For fiscal year 2000, the School District participated in the Northern Buckeye Foundation Council's Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the 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 "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Loss Control Systems provides administrative, cost control and actuarial services to the GRP.

***C. Employee Medical Benefits***

As of June 30, 2000 the School District has contracted with the Northern Buckeye Education Council's Employee Insurance Benefits Program with R.E. Harrington Benefit Services as third party administrator to provide employee medical/surgical and dental benefits. Rates are set through an annual calculation process. The School District and employees share the cost of the monthly premium with the Board. For fiscal year 2000, the School District's and employees' premiums for certified staff were \$486 for family coverage and \$170 for single coverage per employee per month, respectively. For administrative and classified personnel the School District's and the employees' premiums were \$486 for family coverage and \$170 for single coverage per employee per month, respectively.

**Note 10 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. State statute assigns the authority to establish and amend benefit provisions to the SERS Board of Trustees. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate, presently 14 percent; for fiscal year 2000, 7.7 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended up to statutory maximum amounts, by the SERS Retirement Board. The adequacy of the contribution rates is determined annually. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$60,425, \$65,539 and \$59,676, respectively; 35.80 percent has been contributed for fiscal year 2000 and 100 percent has been contributed for fiscal year 1999 and 1998. \$38,820 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.

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***B. State Teachers Retirement System***

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan. STRS provides retirement and disability benefits, health care benefits and death benefits to plan members and beneficiaries. State statute assigns the authority to establish and amend benefit provisions to the STRS Ohio Board of Trustees. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate, presently 14 percent. The contribution requirements of plan members and employers are established and may be amended by the STRS Ohio Board of Trustees. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$233,999, \$227,950 and \$214,975, respectively; 81.40 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$43,479 represents the unpaid contribution for fiscal year 2000, and is recorded as a liability within the respective funds.

***C. Social Security System***

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

**Note 11 - Postemployment Benefits**

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System of Ohio, and to retired non-certified employees and their dependents through the School Employees Retirement System.

***A. State Teachers Retirement System of Ohio (STRS Ohio)***

The State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (ORC), the State Teachers Retirement Board (the Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses, and dependents. By Ohio law, the cost of the coverage paid from STRS Ohio fund shall be included in the employer contribution rate, currently 14% of covered payroll.

For the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$33,428 during the 2000 fiscal year. The balance in the Health Care Reserve Fund was \$2,783 million at June 30, 1999. For the year ended June 30, 1999, the net health care costs paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients statewide. (June 30, 1999 is the latest date for which information is available.)

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***B. School Employees Retirement System (SERS)***

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more 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% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 1999, the allocation rate was 6.30%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 1999, the minimum pay was established as \$12,400. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 1999 were \$126,380,984 and the target level was \$189.6 million.

At June 30, 1999, the Retirement System's net assets available for payment of health care benefits was \$188.0 million, at cost. The number of participants currently receiving health care benefits is approximately 51,000 statewide. (June 30, 1999 is the latest date for which information is available.)

The District's actual contributions for the 2000 fiscal year were \$20,556.

**Note 12 - Other Employee Benefits**

***A. Compensated Absences***

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 5 to 25 days. At June 30, 2000, a current liability of \$5,583 has been provided in the general fund for earned, but unused vacation leave that will be paid to the employees.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rate basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to one-third of the accumulated sick leave to a maximum payout of 30 days, except that those employees who elect to retire within twelve months of the earliest permissible retirement date shall be paid one-third of the accumulated sick leave to a maximum of 60 days. At June 30, 2000, a current liability of \$8,364 has been provided in the enterprise fund for earned, but unused sick leave that will be paid to the employees.

At June 30, 2000 the current amount of unpaid compensated absences, in all funds except for the proprietary funds, and the balance of the liability in the General fund and the General Long-Term Obligation Account Group was \$5,583 and \$372,735 respectively. The liability for compensated absences in the proprietary funds at June 30, 2000 was \$8,364.

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**Note 13 - Long-Term Obligations**

During the year ended June 30, 2000, the following changes occurred in obligations reported in the General Long-Term Obligations Account Group:

	<u>Balance at June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2000</u>
Notes payable	\$ -	\$ 229,500	\$ (7,558)	\$ 221,942
General obligation bonds	240,000	-	(80,000)	160,000
Compensated absences payable	352,657	20,078	-	372,735
SERS and SERS surcharge	22,906	24,571	(22,906)	24,571
Total	<u>\$ 615,563</u>	<u>\$ 274,149</u>	<u>\$ (110,464)</u>	<u>\$ 779,248</u>

Debt outstanding at June 30, 2000 consisted of general obligation bonds totaling \$160,000 (interest rate 6.25% at June 30, 2000). The bonds were issued in September 1978 and will mature in December 2001. Also included is a school improvement note totaling \$221,942 (interest rate 5.4% at June 30, 2000). The note was issued in September 1999 and will mature in September 2014.

Total expenditures for interest for the above debt for the period ended June 30, 2000 was \$21,795.

The scheduled payments of principal and interest on debt outstanding at June 30, 2000 are as follows:

<u>For the Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 90,582	\$ 19,389	\$ 109,971
2002	91,176	13,795	104,971
2003	11,803	10,668	22,471
2004	12,439	10,032	22,471
2005	13,039	9,625	22,664
Thereafter	162,903	47,372	210,275
Total	<u>\$ 381,942</u>	<u>\$ 110,881</u>	<u>\$ 492,823</u>

**Note 14 – Short – Term Obligations**

During the year ended June 30, 2000, the following changes occurred in obligations reported in the Capital Projects Fund:

	<u>Balance at June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 2000</u>
Notes payable	\$ 48,500	\$ -	\$ 48,500	\$ -
	<u>\$ 48,500</u>	<u>\$ -</u>	<u>\$ 48,500</u>	<u>\$ -</u>

This debt consisted of notes payable originally totaling \$48,500 (interest rate 4.75% at June 30, 2000), no outstanding balance existed at June 30, 2000.

Total expenditures for interest for the above debt for the period ended June 30, 2000 was \$1,902. This note was issued in April 1999 and matured in May 2000.

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**Note 15 - Segment Information for Enterprise Funds**

The School District maintains two Enterprise Funds which provide lunchroom/cafeteria and uniform school supply services. Segment information for the year ended June 30, 2000 was as follows:

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$ 91,449	\$ 18,606	\$ 110,055
Depreciation Expense	3,500	-	3,500
Operating Income (Loss)	(36,599)	(1,684)	(38,283)
Operating Grants	25,858	-	25,858
Net Income (Loss)	(10,741)	(1,684)	(12,425)
Net working capital	(21,408)	(2,465)	(23,873)
Total Assets	42,816	2,969	45,785
Total Equity (deficit)	1,506	(2,465)	(959)

**Note 16 - Jointly Governed Organizations**

***A. Northwest Ohio Computer Association***

The School District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The NWOCA Assembly consists of a superintendent from each participating school district and a representative from the fiscal agent. The Assembly elects the Council. NWOCA is governed by a Council chosen from two representatives from each of the four counties in which the member school districts are located and the representative from the member school district serving as fiscal agent for NWOCA. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

***B. Northern Buckeye Education Council***

The Northern Buckeye Education Council (the Council) was established in 1979 to foster cooperation among school districts located in Defiance, Fulton, Henry, and Williams Counties. The Council is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member school districts and bylaws adopted by the representatives of the member school districts. To obtain financial information write to the Northern Buckeye Education Council, Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

***C. Four County Joint Vocational School***

The Four County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the educational service centers from the counties of Defiance, Fulton, Henry, and Williams; one representative from each of the city school districts; one representative from each of the exempted village school districts; and one additional representative from Fulton County educational service center. The Four County Joint Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the Four County Joint Vocational School, Michele Zeedyk, who serves as treasurer, at Route 1, Box 245A, Archbold, Ohio 43502.

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**Note 17 - Group Purchasing Pools**

***A. Northern Buckeye Education Council's Employee Insurance Benefits Program***

The Northern Buckeye Education Council's Employee Insurance Benefits Program included health, dental, drug, and life insurance plans. The health, drug, and dental plans are risk-sharing pools among approximately 28 members, and the life insurance plan is a group purchasing pool among 28 members. The purpose of the plans is for its members to pool funds or resources to purchase commercial insurance products and enhance the wellness opportunities for employees.

Each member pays a monthly premium amount, which is established annually by the Council, to the treasurer to comply with the terms of any contracts with any third-party claims administrator or insurance company. The insurance group is governed by a council consisting of two representatives from each of the four counties in which the member school districts are located. The degree of control exercised by any participating member is limited to its representation on the council.

In fiscal year 2000, the Stryker Local School District contributed a total for all four plans \$279,819 which represented 1.8 percent of total contributions. Financial information can be obtained from Cindy Siler, who serves as treasurer, at 22-900 State Route 34, Archbold, Ohio 43502.

***B. Northern Buckeye Education Council's Worker's Compensation Group Rating Plan***

The School District participates in a group rating plan for workers' compensation as established under 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council's Worker's

Compensation Group Rating Plan (WCGRP) was established through the Northern Buckeye Educational Council (NBEC) as a group purchasing pool.

The WCGRP's business and affairs are conducted by a three member board of directors consisting of two Assembly representatives for each of the counties of Defiance, Fulton, Henry, and Williams and the representative of the member serving as fiscal agent for NBEC. The Executive Director of the Council shall coordinate the management and administration of the program. Each year, the participating/members pay an enrollment fee to the WCGRP to cover the costs of administering the program.

**Note 18 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

***B Litigation***

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

**STRYKER LOCAL SCHOOL DISTRICT  
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***C. State School Funding Decision***

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,413,165 of school foundation support for its general fund.

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

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

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

**Note 19 - Interfund Transactions**

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 40,023	\$ -
Enterprise Fund	-	27,694
Special Revenue Funds	-	12,329
Capital Projects Funds	-	100,934
Debt Service Funds	100,934	-
Total transfers	<u>\$ 140,957</u>	<u>\$ 140,957</u>

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**Note 20 - Agency Funds**

	Combined Statement of Changes in Assets and Liabilities			Balance at June 30, 2000
	Balance at July 1, 1999	Additions	Deductions	
Cash	\$ 6,457	\$ 34,034	\$ 28,098	\$ 12,393
Total assets	<u>\$ 6,457</u>	<u>\$ 34,034</u>	<u>\$ 28,098</u>	<u>\$ 12,393</u>
Other liabilities	\$ 6,457	\$ 34,034	\$ 28,098	\$ 12,393
Total liabilities	<u>\$ 6,457</u>	<u>\$ 34,034</u>	<u>\$ 28,098</u>	<u>\$ 12,393</u>

**Note 21 – Statutory Reserves**

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

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Set-aside Cash Balance, June 30, 1999	\$ -	\$ -	\$ 39,485	\$ 39,485
Current Year Set-Aside Requirement	85,948	85,948	28,649	200,545
Current Year Offsets	-	-	-	-
Qualifying Disbursements	(113,375)	(217,293)	-	(330,668)
Total	<u>\$ (27,427)</u>	<u>\$ (131,345)</u>	<u>\$ 68,134</u>	<u>\$ (90,638)</u>
Cash Balance Carried Forward to FY 2000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,134</u>	
Total Restricted Assets				<u>\$ 68,134</u>

Although the school 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 for future years. Negative amounts are therefore not presented as being carried forward to next fiscal year.

**Note 22 – Retained Earnings/Fund Balance Deficits**

The following fund had a deficit retained earnings balance at June 30, 2000.

	Deficit Retained Earnings
Enterprise Fund	<u>\$ (959)</u>

# STEYER & CO.

*Certified Public Accountants*

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DEFIANCE, OHIO 43512  
PHONE (419) 782-1030  
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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Stryker Local School District  
Stryker, Ohio

We have audited the financial statements of the Stryker Local School District, as of and for the year ended June 30, 2000, and have issued our report thereon dated November 7, 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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated November 7, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated November 7, 2000.

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



STEYER & CO.

Defiance, Ohio  
November 7, 2000

**STRYKER LOCAL SCHOOL DISTRICT  
WILLIAMS COUNTY**

**GENERAL COMMENTS**

The audit report, was reviewed with and acknowledged by the following officials December 4, 2000.

Charles A. Koch  
Eric K. Beavers

Superintendent  
Treasurer

They were informed that officials had five working days from the date of the post audit conference to respond to, or contest, in writing, the report contents. No written response was received.

District personnel were cooperative and available for questions and assistance during regular working hours.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**STRYKER LOCAL SCHOOL DISTRICT**

**WILLIAMS 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  
DECEMBER 26, 2000**