

GENOA AREA LOCAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Education
Genoa Area Local School District
300 Susan Street
Clay Center, Ohio 43408

We have reviewed the Independent Auditor's Report of the Genoa Area Local School District, Ottawa County, prepared by Weber O'Brien Ltd., 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. Genoa Area Local School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

January 25, 2001

GENOA AREA LOCAL SCHOOL DISTRICT

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GENOA AREA LOCAL SCHOOL DISTRICT
ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL
YEAR ENDED JUNE 30, 2000

Title Name	Term of Office or Contract Period	Surety	Amount
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BOARD OF EDUCATION

President:

John Harbal	1/1/98 to 12/31/98 and 1/1/99 to 12/31/99	(A) (A)	\$20,000 \$20,000
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Other Members:

George Cicak	1/1/98 to 12/31/01	(A)	\$20,000
John Harbal	1/1/98 to 12/31/01	(A)	\$20,000
Gary Moritz	1/1/98 to 12/31/01	(A)	\$20,000
Paul Henry	1/1/00 to 12/31/03	(A)	\$20,000

STATUTORY LEGAL COUNSEL

County Prosecuting Attorney:

Mark E. Mulligan
62 Grande Lake Drive
Port Clinton, OH 43452

RETAINED LEGAL COUNSEL

Shumaker, Loop & Kendrick, LLP
North Courthouse Square
1000 Jackson Avenue
Toledo, OH 43624-1573

Baran, Piper, Tarkowsky,
Fitzgerald & Theis
1515 Fifth Third Center
608 Madison Avenue
Toledo, OH 43604

ADMINISTRATIVE PERSONNEL

Treasurer:

Michael Weis	1/1/99 to 12/31/02	(A)	\$20,000
2868 N. Scott Ct Genoa, OH 43430			

Superintendent:

Dennis Mock	8/1/97 to 7/31/01	(A)	\$20,000
2964 N. Huss Blvd. Genoa, OH 43430			

(A) Indiana Insurance Company

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
INDEX OF FUNDS
YEAR ENDED JUNE 30, 2000

GOVERNMENTAL FUND TYPE:

General Fund Type:

General Fund

Special Revenue Fund Type:

Public School Support Fund

Jennings Foundation Grant Fund

Janet Philips Memorial Fund

District Managed Student Activities Fund

Emergency Levy Fund

Disadvantaged Pupils Program Fund

Excellence in Education Fund

Education Management Information System Fund

Public School Preschool Grant Fund

DPLA Restricted Grants-in-Aid Fund

Northwest Ohio Regional Teacher Training Center Fund

Migrant Education Basic State Formula Grant Fund

Title VI-B - Education of The Handicapped Act Fund

Chapter 1 - Education and Consolidation Improvement Act of 1981

Chapter 2 - Education Consolidation and Improvement Act of 1981

Drug Free Grant Fund

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Type:

Permanent Improvement Fund

School Net

PROPRIETARY FUND TYPE:

Enterprise Fund Type:

Food Service Fund

Uniform School Supplies Fund

Continuing Education Fund

Internal Service Fund Type:

Rotary Camp Trip Fund

FIDUCIARY FUND TYPE:

Trust Fund Type:

Expendable Trust Funds:

Junior High Flower Fund

High School Flower Fund

Agency Fund:

Student Activity Fund



INDEPENDENT AUDITORS' REPORT

Board of Education
Genoa Area Local School District
300 Susan Street
Clay Center, OH 43408

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Genoa Area Local School District as of June 30, 2000, and the results of its operations and the 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 our report dated November 21, 2000 on our consideration of the Genoa Area Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Weber · O'Brien Ltd.

November 21, 2000

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 2000

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<u>Assets and Other Debits:</u>										
<u>Assets:</u>										
Equity in Pooled Cash and Investments	\$ 4,621,342	\$ (60,568)		\$ 2,725,816	\$ 44,901	\$ 443	\$ 15,132			\$ 7,347,066
Receivables:										
Taxes	2,871,878	571,481	\$ 226,114	264,558						3,934,031
Interest	13,828									13,828
Prepaid Items	36,771									36,771
Materials and Supplies Inventory	30,523				543					31,066
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)					47,560			\$ 5,267,181		5,314,741
Restricted Assets:										
Equity in Pooled Cash and Cash Equivalents	1,120,049									1,120,049
<u>Other Debits:</u>										
<u>Amount in debt service fund</u>										
Amount to be Provided from General Government Resources									4,559,793	4,559,793
Total Assets and Other Debits	\$ 8,694,391	\$ 510,913	\$ 226,114	\$ 2,990,374	\$ 93,004	\$ 443	\$ 15,132	\$ 5,267,181	\$ 4,559,793	\$ 22,357,345

"SEE INDEPENDENT AUDITORS' REPORT"

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS, CONTINUED
June 30, 2000

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
<u>Liabilities:</u>										
Accounts Payable	\$ 60,547			\$ 386,007						\$ 446,554
Accrued Wages and Benefits	757,532	\$ 15,839								773,371
Compensated Absences Payable	293,152								\$ 600,793	893,945
Deferred Revenue	2,452,044	478,525	\$ 180,453	301,099						3,412,121
General Obligation - Bonds Payable										3,959,000
Deposits							\$ 14,977			14,977
Total Liabilities	3,563,275	494,364	180,453	687,106	0	0	14,977	0	4,559,793	9,499,968
<u>Fund Equity and Other Credits:</u>										
Investment in General Fixed Assets								5,267,181		5,267,181
Retained Earnings:										
Unreserved					93,004	443				93,447
Fund Balance:										
Reserved for Encumbrances	32,475	5,697		450,722						488,894
Reserved for Inventory	30,523									30,523
Reserved for Prepaid Items	36,771									36,771
Reserved for Budget Stabilization	1,120,049									1,120,049
Unreserved:										
Undesignated	3,911,298	10,852	45,661	1,852,546			155			5,820,512
Total Fund Equity and Other Credits	5,131,116	16,549	45,661	2,303,268	93,004	443	155	5,267,181	0	12,857,377
Total Liabilities, Fund Equity and Other Credits	\$ 8,694,391	\$ 510,913	\$ 226,114	\$ 2,990,374	\$ 93,004	\$ 443	\$ 15,132	\$ 5,267,181	\$ 4,559,793	\$ 22,357,345

"SEE INDEPENDENT AUDITORS' REPORT"

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

GENOA AREA LOCAL SCHOOL DISTRICT
 OTTAWA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 2000

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	
REVENUES						
Local Sources:						
Taxes	\$ 3,279,938	\$ 586,298	\$ 200,272	\$ 253,232		\$ 4,319,740
Tuition	13,438					13,438
Earnings on Investments	400,238			31,639		431,877
Extracurricular Activities		282,539				282,539
Miscellaneous Receipts	3,580	20,764		8,121	\$ 166	32,631
State Sources:						
Unrestricted Grants-in-Aid	5,176,693					5,176,693
Restricted Grants-in-Aid		179,191		43,718		222,909
Federal Sources:						
Restricted Grants-in-Aid		238,279				238,279
TOTAL REVENUES	8,873,887	1,307,071	200,272	336,710	166	10,718,106
EXPENDITURES						
Instruction:						
Regular	4,073,377	788,940		1,213,860		6,076,177
Special and Vocational Education	564,351	169,066				733,417
Support Services:						
Pupils	368,921	72,681				441,602
Instructional Staff	131,585	71,829				203,414
Board of Education	9,513					9,513
Administration	839,211	11,350				850,561
Fiscal	250,068	7,104		5,287		262,459
Business	19,444					19,444
Operation and Maintenance - Plant	721,021	6,850		274,420		1,002,291
Pupil Transportation	287,500	11,661		31,256		330,417
Central	194,136	12,626			140	206,902

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"THE ACCOMPANYING NOTES ARE AN INTEGRAL
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GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS, CONTINUED
YEAR ENDED JUNE 30, 2000

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	
EXPENDITURES, Continued						
Non-Instructional Services				6,968		6,968
Extracurricular Activities:						
Academic and Subject Oriented	34,178	19,920				54,098
Occupation Oriented		1,173				1,173
Sports Oriented	145,842	151,994				297,836
Co-curricular Activities		31,351				31,351
Debt Service - Interest			191,002			191,002
Capital Outlay-Replacement				622,087		622,087
TOTAL EXPENDITURES	7,639,147	1,356,545	191,002	2,153,877	140	11,340,712
TOTAL REVENUES OVER (UNDER) EXPENDITURES	1,234,740	(49,474)	9,270	(1,817,168)	26	(622,606)
OTHER FINANCING SOURCES (USES)						
Sale of Bonds				3,959,000		3,959,000
Transfers-in	26,514	13,402				39,916
Advances-in	96,113		36,391			132,504
Contributions and Donations	170					170
Transfers-out	(34,009)	(5,907)				(39,916)
Advances-out	(36,391)			(96,113)		(132,504)
TOTAL OTHER FINANCING SOURCES	52,397	7,495	36,391	3,862,887	0	3,959,170
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	1,287,137	(41,979)	45,661	2,045,719	26	3,336,564
FUND BALANCE AT BEGINNING OF YEAR	3,843,979	58,528	0	257,549	129	4,160,185
FUND BALANCE AT END OF YEAR	\$ 5,131,116	\$ 16,549	\$ 45,661	\$ 2,303,268	\$ 155	\$ 7,496,749

"SEE INDEPENDENT AUDITORS' REPORT"

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GENOA AREA LOCAL SCHOOL DISTRICT
 OTTAWA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES, BUDGET AND ACTUAL (NON-GAAP BUDGET BASIS)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 2008

	GOVERNMENTAL FUND TYPES										EXPENDABLE TRUST FUNDS				
	General		Special Revenue		Capital Projects		Debt Service		Variance		Variance		Totals (Memorandum Only)		
	Revised Budget	Variance Favorable (Unfavorable)	Revised Budget	Variance Favorable (Unfavorable)	Actual	Revised Budget	Variance Favorable (Unfavorable)	Actual	Revised Budget	Variance Favorable (Unfavorable)	Actual	Revised Budget	Variance Favorable (Unfavorable)	Actual	Variance Favorable (Unfavorable)
Revenues:															
Taxes	\$3,299,312	\$3,299,312	\$ 606,334	\$ 606,335	\$ 261,137	\$ 261,137	\$ 500	\$ 195,000	\$ 154,610	\$ (40,390)	\$ 4,321,394	\$ 4,321,394	\$ (39,889)	\$ 5,645,952	\$ 5,679,658
Intergovernmental	5,176,693	5,176,693	391,259	396,221	4,962	78,000	106,744	28,744			446,639	448,248	1,609	15,140	15,360
Interest	415,000	416,609			31,639	31,639					281,345	282,539	1,194		
Tuition and Fees	15,140	15,360	281,345	282,539	1,194						16,698	16,698	31,723		
Extracurricular Activities	4,000	2,478	(1,522)	12,698	20,958	8,260	8,121	8,121			166	166	166		
Miscellaneous	8,910,145	8,910,452	1,291,636	1,306,053	14,417	370,276	407,641	37,365			10,767,057	10,778,922	11,865		
Total Revenues	8,910,145	8,910,452	307												
Expenditures:															
Current															
Instruction:															
Regular	4,443,088	4,104,644	1,000,000	784,516	215,484						5,443,088	4,889,160	553,928		
Special and Vocational	560,000	551,246	175,000	149,735	25,265						735,000	700,981	34,019		
Other	550	550									550		550		
Support Services:															
Pupils	303,000	280,691	100,000	72,681	27,319						403,000	353,372	49,628		
Instructional Staff	134,010	129,698	100,000	71,829	28,171						234,010	201,527	32,483		
Board of Education	18,500	18,312	25,000	11,350	13,650						18,500	18,312	188		
Administration	760,000	753,224	6,776	7,104	2,896						785,000	764,574	20,426		
Fiscal	250,000	246,830	3,170	10,000	7,104	2,896	5,500	5,287	213		265,500	259,221	6,279		
Business	250,000	19,219	230,781	10,000	6,766	3,234	285,380	221,482	73,898		250,000	19,219	230,781		
Operation and Maintenance of Plant	725,000	718,733	6,267	10,000	11,661	8,339	32,012	31,256	756		1,030,380	946,981	83,399		
Public Transportation	295,000	291,022	3,978	20,000	11,661	8,339	32,012	31,256	756		347,012	333,939	13,073		
Central	230,852	230,761	91	32,313	12,626	19,687	140	140	140		263,305	243,527	19,778		
Extracurricular Activities	180,000	179,795	205	350,000	198,511	151,489	6,968	6,968			530,000	378,306	151,694		
Non-Instructional Services															
Capital Outlay															
Debt Service															
Total Expenditures	8,150,000	7,524,175	625,825	1,822,313	1,326,779	495,531	1,840,000	1,703,908	136,092	195,000	101,092	3,998	3,998	12,007,313	10,746,004
Excess of Revenues Over (Under) Expenditures	760,145	1,386,277	636,132	(530,677)	(20,726)	509,951	(1,409,724)	(1,296,267)	173,457	0	(36,392)	(36,392)	(36,392)	26	(1,240,256)
Other Financing Sources (Uses):															
Proceeds from Sale of Bonds															
Operating Transfers In	20,607	20,607		13,402	13,402		3,959,000	3,959,000	0					3,959,000	3,959,000
Advances In	96,283	96,283									36,392	36,392		132,675	132,675
Gifts and Donations														16,030	16,030
Operating Transfers Out														(130,122)	(130,122)
Advances Out														(36,391)	(36,391)
Total Other Financing Sources (Uses)	0	46,490	46,490	7,909	13,402	5,403	3,967,121	3,862,887	(104,234)	0	36,392	36,392		3,975,030	3,859,171
Excess of Revenue and Other Financing Sources (Under) Expenditures and Other Financing Uses	760,145	1,432,767	672,622	(522,768)	(7,324)	515,444	2,497,397	2,566,620	69,223	0	0	0	26	2,734,774	3,992,089
Fund Balances (Deficit) at Beginning of Year	4,239,369	4,239,369	6,597	6,597	12,134	12,134	12,134	12,134	129	129	4,238,229	4,238,229		150,702	150,702
Prior Year Encumbrances Appropriated	16,847	16,847	1,529	1,529	132,326	132,326									
Fund Balances (Deficit) at End of Year	\$ 5,016,361	\$ 5,688,983	\$ 672,622	\$ (514,642)	\$ 802	\$ 515,444	\$ 2,641,857	\$ 2,711,080	\$ 69,223	\$ -	\$ -	\$ -	\$ 26	\$ 7,443,705	\$ 8,401,020

"SEE INDEPENDENT AUDITORS' REPORT"
 "THE ACCOMPANYING NOTES ARE AN INTEGRAL
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GENOA AREA LOCAL SCHOOL DISTRICT
 OTTAWA COUNTY
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 2000

	PROPRIETARY FUND TYPES		TOTALS
	Enterprise	Internal Service	(Memorandum Only)
OPERATING REVENUES			
Tuition	\$ 1,365		\$ 1,365
Food Services	348,873		348,873
Extracurricular Activities		\$ 21,683	21,683
Classroom Materials and Fees	76,125		76,125
Total Operating Revenues	<u>426,363</u>	<u>21,683</u>	<u>448,046</u>
OPERATING EXPENSES			
Personal Services - Salaries	164,545		164,545
Employees' Retirement and Insurance	57,725		57,725
Purchased Services	2,852	21,979	24,831
Supplies and Materials	280,135		280,135
Operation and Maintenance - Plant	3,791	-	3,791
Depreciation	5,681		5,681
Total Operating Expenses	<u>514,729</u>	<u>21,979</u>	<u>536,708</u>
OPERATING LOSS	(88,366)	(296)	(88,662)
NON-OPERATING REVENUES			
Earnings on Investments	1,255		1,255
State Sources:			
Restricted Grants- in-Aid	2,726		2,726
Federal Sources:			
Unrestricted Grants-in-Aid	79,998		79,998
Total Non-operating Revenues	<u>83,979</u>	<u>-0-</u>	<u>83,979</u>
NET REVENUES UNDER EXPENSES BEFORE INTERFUND TRANSFERS AND ADVANCES	(4,387)	(296)	(4,683)
Transfers/Advances	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET LOSS	(4,387)	(296)	(4,683)
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>97,391</u>	<u>739</u>	<u>98,130</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 93,004</u>	<u>\$ 443</u>	<u>\$ 93,447</u>

"SEE INDEPENDENT AUDITORS' REPORT"

"THE ACCOMPANYING NOTES ARE AN INTEGRAL
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GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 2000

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net Operating Loss	\$ (88,366)	\$ (296)	\$ (88,662)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	5,681	0	5,681
Changes in Operating Assets and Liabilities that Increase (Decrease) Cash Flows:			
Accounts Receivable	8,037	0	8,037
Inventory	72	0	72
Fixed Assets	(8,600)	0	(8,600)
Total Adjustments	5,190	0	5,190
NET CASH PROVIDED BY OPERATING ACTIVITIES	(83,176)	(296)	(83,472)
<u>CASH FLOWS FROM NONCAPITAL FINANCING</u>			
Cash received from operating grants	82,724	0	82,724
NET CASH PROVIDED BY NONCAPITAL FINANCING	82,724	0	82,724
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest received on investments	1,255	0	1,255
NET CASH PROVIDED BY NONCAPITAL FINANCING	1,255	0	1,255
NET INCREASE (DECREASE) IN POOLED CASH AND INVESTMENTS	803	(296)	507
EQUITY IN POOLED CASH AND INVESTMENTS AT BEGINNING OF YEAR	44,098	739	44,837
EQUITY IN POOLED CASH AND INVESTMENTS AT END OF YEAR	\$ 44,901	\$ 443	\$ 45,344

"SEE INDEPENDENT AUDITORS' REPORT"

"THE ACCOMPANYING NOTES ARE AN INTEGRAL
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GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Genoa Area Local School District (District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Management believes the financial statements included in this report represent all of the funds of the District over which the District has the ability to exercise direct operating control.

Basis of Accounting

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

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

All enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Enterprise funds operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting, Continued

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property taxes, intergovernmental revenue, interest revenue, and charges for services.

The 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 2001 operations, have been recorded as deferred revenue. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue.

The enterprise fund types are accounted for using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue.

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.

Fund Accounting

The District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

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

Debt Service Fund - Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. According to governmental accounting principles, the debt service fund accounts for the payment of long-term debt for governmental funds only. Under Ohio law, the debt service fund might also be used to account for the payment of the long term debt of the proprietary funds and the short-term debt of both governmental and proprietary funds. For purposes of this report, these funds have been classified into the proper groups, if practicable.

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

Proprietary Funds

Enterprise Funds - Enterprise Funds account for operations:

a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the residents of the District on a continuing basis be financed or recovered primarily through user charges; or

b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Internal Service Funds - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - These Funds, which include Expendable Trust Funds and Agency Funds, account for assets held by a governmental unit in a trustee capacity.

Budgetary Process

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 ordinances. The tax budget, certificate of estimated resources and appropriation ordinances are prepared on the budgetary basis as required by the County Budget Commission. Under the budgetary basis of accounting, revenues are recognized upon receipt and expenses are recorded as disbursed and outstanding year end encumbrances are treated as expenditures/expenses. This differs from the modified accrual and accrual bases of accounting.

Budget

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the county budget commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

Estimated Resources

The county budget commission certifies its actions to the District by April 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year. By July 1, the annual appropriation report on resolution is legally enacted by the Board of Education, at the fund level of expenditures, which are the legal level of budgetary control. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The certificate of estimated resources is subject to amendment throughout the year with the legal restriction that all changes require action by the Board of Education.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimated Resources, Continued

The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include July 1, 1999, unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. On the modified accrual basis of accounting, encumbrances outstanding at year end are reported as a reservation of fund balance and retained earnings for subsequent year expenditures for governmental funds and enterprise funds, respectively.

Fund Balance Reservations

The District reserves portions of fund balances that are legally segregated for specific future uses or that do not represent available, spendable resources and therefore are not appropriable for expenditures. Undesignated fund balances are not reserved nor designated and are appropriable in future periods.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

All cash received by the District is pooled in a central bank account. Cash balances of most district funds are pooled and invested. The investments of pooled cash, which are stated at cost which approximates market value, consist primarily of certificates of deposit at local banks and investments in the State Treasury Asset Reserve of Ohio (STAROhio). Individual fund integrity is maintained through the District's records.

Except for nonparticipating investment contracts, and investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. The District does not hold any investments as of June 30, 2000 that are required to be reported at fair value. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are recorded at cost or amortized cost.

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

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 original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Inventories

Inventories are valued at cost (first in, first out) and consist of expendable supplies for student instruction. The costs of the governmental fund-type inventories are recorded as expenditures when purchased (purchase method) rather than when consumed.

Fixed Assets

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. Interest on debt issued to construct general fixed assets is not capitalized in the account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are valued at cost (or estimated

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets, Continued

historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair value on the date received. The school district maintains a capitalization threshold of three hundred dollars.

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

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.

Depreciation in the proprietary fund and in the general fixed assets account group is computed using the straight-line method.

Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State superintendent of Public Instruction (See Note 15).

Compensated Absences

Vested or accumulated vacation leave is expected to be liquidated with expendable available financial resources and is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Government Accounting Standards Board No. 16, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The General-Long Term Obligations Account Group and Proprietary Funds have a Service Retirement liability recognized for employees with over ten years in government service and are age 50 or over. The Service Retirement is based on employees' accrued but unused sick leave days and is paid at retirement based on 35% for certified and administrative staff and 26% for support staff, of the value of a 220 day maximum for certified and administrative staff and 210 day maximum for support staff.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences, Continued

A long-term liability has also been recognized in compensated absences for vested severance pay for those certified and administrative employees who become vested after five years of service and have the option to utilize the District's early retirement incentive plan. Upon early retirement, each vested employee receives an amount equal to \$400 per year of service, up to a maximum of 25 years of credited service, as determined by the State Teachers' Retirement System of Ohio.

Long-Term Obligations – New Bond Issue

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, pension obligations 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 available expendable financial resources. Bonds, capital leases and long-term loans are reported as a liability of the general long-term obligations account group until due.

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

Intergovernmental Revenue

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements and shared revenues, are recorded as receivable 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 become measurable.

Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 2 - POOLED CASH AND CASH EQUIVALENTS

Legal Requirements

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

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

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

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (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 money deposited with the institution.

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

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payments of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency;
3. Repurchase agreements in the securities enumerated above, assuming certain conditions are met;
4. Interim deposits in the eligible institutions applying for interim money;
5. Bond and other obligations of the State of Ohio; and
6. The State Treasurer's investment pool (STAROhio).

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 2 - POOLED CASH AND CASH EQUIVALENTS (Continued)

Legal Requirements (Continued)

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

Deposits

At year-end, the carrying amount of the Genoa Area Local School District's deposits was \$8,168,634 and the bank balance was \$8,216,598, respectively. The entire bank balance was covered by federal depository insurance, by collateral held by the District, or by collateral held by a qualified third party trustee in the name of the District.

Investments

The Genoa Area Local School District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. The Genoa Area Local School District's investment, which is in STAROhio, is not categorized or assigned a risk category because it is not evidenced by securities that exist in physical or book entry form.

	<u>Carrying Value</u>	<u>Market Value</u>
Funds on Deposit with STAR Ohio	\$ <u>298,481</u>	\$ <u>298,481</u>
Reconciliation to Balance Sheet:		
District's Deposits		\$8,168,634
Star Ohio		<u>298,481</u>
 Total Equity in Pooled Cash and Investments		 \$ <u>8,467,115</u>

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 2 - POOLED CASH AND CASH EQUIVALENTS (Continued)

Investments, Continued

Classification in Balance Sheet:	
Unrestricted	\$7,347,066
Restricted	<u>1,120,049</u>
 Total Per Balance Sheet	 <u>\$8,467,115</u>

NOTE 3 - PROPERTY TAX

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The County Auditor reappraises all real property every six years with a triennial update. The last appraisal was completed for tax year 1994.

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due February 10 with the remainder payable by July of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the 2000 tax year was \$67.60 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$37.91 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$44.40 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the 2000 tax year was \$67.60 per \$1,000 of assessed valuations.

Tangible Personal Property - 2000 Valuation	
General	\$ 8,294,692
Public Utilities	9,551,500
Real Property - 1999 Valuation	
Residential/Agricultural	90,090,200
Commercial/Industrial	10,615,050
Public Utilities	<u>118,840</u>
 Total Valuation	 <u>\$118,670,282</u>

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 3 - PROPERTY TAX (Continued)

The Ottawa County Treasurer collects property tax on behalf of all taxing districts within the county. The Ottawa County Auditor periodically remits to the taxing districts their portions of the taxes collected.

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 \$597,000 and is recognized as revenue.

\$420,000 was available to the general fund, \$139,000 was available to the special revenue funds, and \$38,000 was available to the permanent improvement fund.

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables at June 30, 2000 consisted of taxes, interest, reimbursements and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

<u>Receivables</u>	<u>Amount</u>
<u>General Fund:</u>	
Taxes – Current	\$ 419,835
Taxes – Deferred	2,452,043
Interest	13,828
<u>Special Revenue Funds:</u>	
Taxes – Current	92,956
Taxes – Deferred	478,525
<u>Capital Projects:</u>	
Taxes – Current	38,102
Taxes – Deferred	226,456
<u>Debt Service Fund</u>	
Taxes – Current	45,662
Taxes – Deferred	180,452

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 5 - FIXED ASSETS

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

	General Fixed Assets			General Fixed Assets
	<u>6/30/99</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/00</u>
Land and Improvements	\$ 445,141	\$ 225,055	\$ -0-	\$ 670,196
Buildings and Improvements	3,741,561	73,838	-0-	3,815,399
Construction in Progress	-0-	1,604,126	-0-	1,604,126
Furniture and Equipment	2,092,973	180,397	140,160	2,133,210
Books	425,762	1,049	-0-	426,811
Moving Vehicles	<u>1,108,712</u>	<u>86,365</u>	<u>83,200</u>	<u>1,111,877</u>
Total General Fixed Assets	7,814,149	2,170,830	223,360	9,761,619
Less: Accumulated Depreciation	(<u>4,413,842</u>)	(<u>276,155</u>)	(<u>195,559</u>)	(<u>4,494,438</u>)
Net General Fixed Assets	<u>\$3,400,307</u>	<u>\$1,894,675</u>	<u>\$ 27,801</u>	<u>\$5,267,181</u>

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

	<u>Food Service</u>
Machinery and Equipment	\$166,790
Less: Accumulated Depreciation	(<u>119,230</u>)
Net Fixed Assets	<u>\$ 47,560</u>

The general fixed asset account group assets are depreciated using the straight-line method over estimated useful lives ranging from 3 years to 50 years. The proprietary fund type - fixed assets are depreciated using the straight-line method over a 20 year estimated useful life.

NOTE 6 - STATE TEACHERS RETIREMENT SYSTEM

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 6 - STATE TEACHERS RETIREMENT SYSTEM, Continued

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1999, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$678,000, \$603,000, and \$539,000, respectively. All required contributions were made to STRS before these respective year ends.

NOTE 7 - SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

The Genoa Area Local School District Board of Education provides an employee share pick-up for all employees covered under SERS equal to 9 percent of the employees' gross salary. The District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 7.7 percent was the portion used 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. Contribution rates are established by SERS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates. 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 \$282,000, \$252,000, and \$236,000, respectively. All required contributions were made to SERS before each respective year end.

NOTE 8 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 8 - POSTEMPLOYMENT BENEFITS, Continued

obligations to contribute are established by the Systems based on authority granted by State statute. Both Systems are on a pay-as-you-go basis.

The State Teacher's Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients are required to pay a portion of health care costs in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve fund from which payments for health care benefits are paid. For the School District, this amount equaled \$358,100 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$2,783 million at June 30, 1999 (the latest information available). For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

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

For this year and the prior fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999 (the latest information available), the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. SERS health care expenses at June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$97,500 during the 2000 fiscal year.

The District provides compensation sick leave absences to its employees. At retirement and after five (5) years of full-time service, a portion of an employee's accumulated days of sick leave is payable upon written request as an additional retirement benefit. This benefit is calculated at the employee's daily base rate of pay at the time of retirement. For certified teachers, this benefit is calculated as 35% of the employee's accumulated days of sick leave (220 days maximum), or a maximum of 77 days retirement benefit.

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 8 - POSTEMPLOYMENT BENEFITS, Continued

For full-time, permanent non-certified employees, the benefit is calculated as 26% of the employee's accumulated days of sick leave (210 days maximum), or a maximum of 55 days retirement benefit.

NOTE 9 - LEASE COMMITMENTS AND RENTAL EXPENSE

The District leases certain operating equipment under noncancelable operating leases.

The following is a schedule of the future minimum rental payments required under these operating leases that have an initial or remaining noncancelable lease term in excess of one year as of June 30, 2000:

Year Ending <u>June 30</u>	<u>Amount</u>
2001	\$51,300
2002	51,300
2003	51,300
2004	51,300
2005	<u>51,300</u>
TOTAL	<u>\$256,500</u>

Total rent expense for the year ended June 30, 2000 was \$27,600.

NOTE 10 - RECONCILIATIONS OF BUDGETARY BASIS TO GAAP BASIS OF ACCOUNTING

Adjustments necessary to convert the excess of revenue and other financing sources over (under) expenditures and other financing uses on the budgetary basis of accounting to the GAAP basis are as follows:

	General <u>Fund</u>	Special <u>Revenue</u>	Capital <u>Projects</u>	Debt <u>Service</u>	Expendable <u>Trust</u>
Budgetary Basis	\$1,432,767	(\$ 7,324)	\$2,566,620	\$ -0-	\$26
Revenue Accruals	(36,565)	1,018	(70,941)	45,661	-0-
Expense Accruals	(141,540)	(41,370)	(900,682)	-0-	-0-
Encumbrances	<u>32,475</u>	<u>5,697</u>	<u>450,722</u>	<u>-0-</u>	<u>-0-</u>
GAAP Basis	<u>\$1,287,137</u>	<u>(\$41,979)</u>	<u>\$2,045,719</u>	<u>\$45,661</u>	<u>\$26</u>

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 11 – COMMITMENTS AND CONTINGENCIES

A. Grants

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

B. 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. For the fiscal year ended June 30, 2000, the School District received \$4,793,700 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's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

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

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

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 11 – COMMITMENTS AND CONTINGENCIES, CONTINUED

C. Litigation

In the normal course of operations, the District may be subject to litigation and claims. While the outcome of such matters cannot presently be determined, management believes that their ultimate resolution will not have a material effect on the financial statements.

In January of 1997, the District was named as a co-defendant in a civil suit seeking in excess of \$25,000 involving the death of two teachers in an auto accident while traveling to an in-service seminar. In fiscal 2000, the district was released from all claims relating to this matter.

D. Commitments

The District is obligated to purchase equipment and complete the construction and renovation of a facility totaling approximately \$5,700,000 (Note 16).

NOTE 12 - ENTERPRISE SEGMENT INFORMATION

The enterprise fund type consists of the Food Service Fund, Uniform School Supplies Fund, and the Continuing Education Fund. The Food Service Fund comprises the majority of the assets and retained earnings, and substantially all of the operations, of the enterprise fund type.

NOTE 13 - LEGAL COMPLIANCE

Pursuant to Section 117.11(A) of the Revised Code, Weber o O'Brien Ltd. performed tests of compliance with various provisions of local, state and/or federal laws, as appropriate.

NOTE 14 - INSURANCE

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

GENOA AREA LOCAL SCHOOL DISTRICT
OTTAWA COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
YEAR ENDED JUNE 30, 2000

NOTE 14 – INSURANCE, CONTINUED

The District participates with other school districts in the San-Ott Consortium (the Pool) in a jointly funded risk financing program administered by the Huntington Bank Trust Company. The Pool includes nine member school districts and the Ottawa County Education Center. The program is for employee benefits and includes life insurance, accidental death and dismemberment insurance, health insurance, prescription drug insurance, dental insurance and vision insurance. Each member district has an option on the coverage it has elected for its employees. The District provides to its employees all available options offered by the Pool.

A third party, Group Health Care and Medical Mutual of Ohio headquartered in Toledo, Ohio, reviews all claims which are then paid by the Pool. As of June 30, 2000, the Pool has cash reserves of \$3,913,000, which, in the opinion of San-Ott Consortium management, is adequate for any claims against the Pool.

During the fiscal year the District paid \$359,100 into the Pool for coverage. These costs are paid by the fund that pays the salary for the covered employees. The Pool purchases insurance coverage for excess claims to limit the potential loss to its members. The amount of risk retained within the Pool is an annual aggregate limit of \$100,000 per individual and claims exceeding that limit are covered by stop-loss insurance provided by a commercial insurer. The members, including the District, may be liable for any claims which exceed the Pool's assets and are less than the excess claims amount, which could be charged to members at a pro-rata share of the individual member's premium to the total Pool premiums. Financial information relating to the Pool may be obtained by writing to San-OTT Consortium, c/o Vanguard, 1306 Cedar Street, Fremont, OH 43420.

NOTE 15 – SET-ASIDES

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-Aside Cash Balance as of July 1, 1999	\$ -0-	\$ -0-	\$ 717,088	\$ 717,088
Current Year Set-aside Requirement	351,465	351,465	402,961	1,105,891
Current Year Offsets	-0-	-0-	-0-	-0-
Qualifying Disbursements	<u>375,036</u>	<u>390,538</u>	<u>-0-</u>	<u>765,574</u>
Total	(\$ <u>23,571</u>)	(\$ <u>39,073</u>)	<u>\$1,120,049</u>	<u>\$1,057,405</u>
Cash Balance Carried Forward to FY 2001			<u>\$1,120,049</u>	
Total Restricted Assets				<u>\$1,120,049</u>

GENOA AREA LOCAL SCHOOL DISTRICT
 OTTAWA COUNTY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 YEAR ENDED JUNE 30, 2000

NOTE 15 – SET-ASIDES, CONTINUED

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

NOTE 16 - LONG-TERM DEBT

During the current year the District issued bonds to provide funds for the acquisition and construction of equipment and facilities and are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

The following is a description of the District's bonds outstanding as of June 30, 2000:

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Bonds Outstanding At 7/1/99</u>	<u>New Issues During 2000</u>	<u>Retired In 2000</u>	<u>Bonds Outstanding At 6/30/00</u>
Building Improvements	4.9 -5.5%	7/1/99	12/1/27	\$0	\$3,959,000	\$0	\$3,959,000

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

<u>Year Ending June 30</u>	<u>Principal on General Obligation</u>	<u>Interest on General Obligation</u>	<u>Total</u>
2001	\$ 9,000	\$ 300,287	\$ 309,287
2002	70,000	211,423	281,423
2003	70,000	207,623	277,623
2004	75,000	203,773	278,773
2005	80,000	199,648	279,648
2006 and Thereafter	3,655,000	2,781,346	6,436,346
Total	\$3,959,000	\$3,904,100	\$7,863,100

GENOA AREA LOCAL SCHOOL DISTRICT
 OTTAWA COUNTY
 NOTES TO COMBINED FINANCIAL STATEMENTS, CONTINUED
 YEAR ENDED JUNE 30, 2000

NOTE 16 - LONG-TERM DEBT, CONTINUED

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

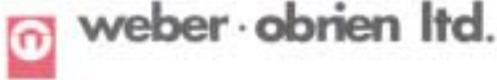
	Balance at <u>7/1/99</u>	<u>Increase</u>	<u>Decrease</u>	Balance at <u>6/30/00</u>
Compensated Absences	\$564,171	\$ 36,622		\$ 600,793
General Obligation Bonds	-0-	<u>3,959,000</u>	-0-	<u>3,959,000</u>
Total	<u>\$564,171</u>	<u>\$3,995,622</u>	<u>\$-0-</u>	<u>\$4,559,793</u>

GENOA AREA LOCAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2000

<u>Federal Grantor/Pass – Through Grantor Program Titles</u>	<u>Project Number</u>	<u>CFDA Number</u>	<u>Program Award Amount</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Pass through Ohio Department of Education:					
Title I	048942-C1-S1-00	84.010	<u>98,478</u> 98,478	<u>98,478</u> 98,478	<u>112,011</u> 112,011
Title VI (Talented and Gifted)	048942-C2-S1-00	84.296	<u>8,101</u> 8,101	<u>8,101</u> 8,101	<u>5,907</u> 5,907
Title VI-B	048942-6B-SF-99 048942-6B-SF-00P	84.027 84.027	62,620 <u>72,076</u> 134,696	-0- <u>72,076</u> 72,076	21,249 <u>72,076</u> 93,325
Safe & Drug Free Schools	048942-DR-S1-99 048942-DR-S1-00	84.186 84.186	8,341 <u>6,923</u> 15,264	-0- <u>6,923</u> 6,923	5,645 <u>6,923</u> 12,568
Eisenhower Grant	048942-MS-S1-00	84.281	6,807	6,807	780
Class Size Reduction	048942-CR-S1-00	84.34	24,571	<u>24,571</u>	<u>24,571</u>
TOTAL DEPARTMENT OF EDUCATION				216,956	249,162
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Pass through Ohio Department of Education:					
<u>Nutrition Cluster</u>					
National School Lunch Program		10.555		79,318	79,318
Food Distribution Program		10.550		<u>37,645</u>	<u>37,645</u>
TOTAL DEPARTMENT OF AGRICULTURE				<u>116,963</u>	<u>116,963</u>
TOTAL RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS				<u>\$333,919</u>	<u>\$366,125</u>

NOTE – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U. S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U. S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



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

Board of Education
Genoa Area Local School District
300 Susan Street
Clay Center, Ohio 43408

We have audited the financial statements of Genoa Area Local School District ("District") as of and for the year ended June 30, 2000, and have issued our report thereon dated November 21, 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*.

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.

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

W. O'Brien

November 21, 2000



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

Board of Education
Genoa Area Local School District
300 Susan Street
Clay Center, Ohio 43408

Compliance

We have audited the compliance of Genoa Area Local School District ("District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low

Board of Education
Page Two

level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Walter O'Brien, CPA

November 21, 2000

GENOA AREA LOCAL SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2000

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:		<u>Unqualified</u>
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	___X___no
Reportable condition(s) identified not considered to be material weaknesses?	_____yes	___X___none reported
Noncompliance material to financial statements noted?	_____yes	___X___no

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	_____yes	___X___no
Reportable conditions(s) identified not considered to be material weaknesses?	_____yes	___X___none reported

Type of auditors' report issued on compliance for major programs:		<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____yes	___X___no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.550, 10.553, 10.555	Nutrition Cluster
84.027	Title VI-B

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low risk auditee?	_____yes	___X___no
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

GENOA AREA LOCAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2000

NONE



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

GENOA AREA LOCAL SCHOOL DISTRICT

OTTAWA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 06, 2001**