

**PLYMOUTH-SHILOH  
LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

*GENERAL PURPOSE FINANCIAL STATEMENTS  
(AUDITED)  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2001*

**BRENDA SCHWAMBERGER, TREASURER**





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

We have reviewed the independent auditor's report of the Plymouth-Shiloh Local School District, Richland County, prepared by Trimble, Julian & Grube, Inc., for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO  
Auditor of State

January 22, 2002



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

TABLE OF CONTENTS

Independent Auditor's Report .....	1 - 2
Combined Balance Sheet - All Fund Types and Account Groups .....	3 - 4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund .....	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Comparison (Non-GAAP Budgetary Basis) - All Governmental Fund Types .....	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings (Accumulated Deficit) - All Proprietary Fund Types .....	7
Combined Statement of Cash Flows - All Proprietary Fund Types .....	8
Notes to the General Purpose Financial Statements .....	9 - 50
Supplemental Data	
Schedule of Expenditures of Federal Awards .....	51
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	52 - 53
Report on Compliance with Requirements Applicable to Its Major Federal Program and Internal Control Over Compliance in Accordance With <i>OMB Circular A-133</i> .....	54 - 55
Schedule of Findings <i>OMB Circular A-133 § .505</i> .....	56 - 57

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## Independent Auditor's Report

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky St.  
Plymouth, Ohio 44865

We have audited the accompanying general purpose financial statements of the Plymouth-Shiloh Local School District, Richland County (the "District") as of and for the fiscal year ended June 30, 2001, 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 auditing standards generally accepted in the United States of America 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 the significant estimates made by management, as well as evaluating the overall general purpose 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 Plymouth-Shiloh Local School District, Richland County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plymouth-Shiloh Local School District  
Page Two

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The accompanying schedule of 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.

Trimble, Julian & Grube, Inc.  
November 7, 2001

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Types		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General	Fixed Assets	Long-Term Obligations		
<b>ASSETS AND OTHER DEBITS</b>												
<b>ASSETS:</b>												
Equity in pooled cash and cash equivalents . . . . .	\$869,254	\$191,048	\$195,212	\$4,987,461	\$108,846	\$19,667	\$19,572					\$6,391,060
Cash and cash equivalents in segregated accounts . . . . .	1,987											1,987
Receivables (net of allowances of uncollectibles):												
Taxes - current & delinquent . . . . .	1,466,901	23,412	268,427									1,758,740
Accounts . . . . .	4,011											4,061
Accrued interest . . . . .	2,276			19,297								21,573
Due from other governments . . . . .	866											866
Prepayments . . . . .	12,247				398							12,645
Interfund loan receivable . . . . .	38,689											38,689
Materials and supplies inventory . . . . .	44,603				8,908							53,511
Restricted assets:												
Equity in pooled cash and cash equivalents . . . . .	53,735											53,735
Property, plant and equipment (net of accumulated depreciation where applicable). . . . .					114,690				\$6,652,936			6,767,626
<b>OTHER DEBITS:</b>												
Amount available in debt service fund . . . . .										\$214,717		214,717
Amount to be provided for retirement of general long-term obligations . . . . .										2,215,790		2,215,790
<b>Total assets and other debits . . . . .</b>	<b>\$2,494,569</b>	<b>\$214,460</b>	<b>\$463,639</b>	<b>\$5,006,758</b>	<b>\$232,842</b>	<b>\$19,717</b>	<b>\$19,572</b>		<b>\$6,652,936</b>	<b>\$2,430,507</b>		<b>\$17,535,000</b>

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Total Memorandum (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>											
<b>LIABILITIES:</b>											
Accounts payable . . . . .	\$16,455	\$5,414		\$27,385	\$2,367						\$51,621
Contracts payable . . . . .				19,876							19,876
Accrued wages and benefits . . . . .	572,543	59,851			29,912						662,306
Compensated absences payable . . . . .	70,041	1,077			10,930				\$279,831		361,879
Early retirement incentive payable . . . . .									310,327		310,327
Pension obligation payable . . . . .	84,390	7,740			16,509				50,349		158,988
Due to other governments . . . . .	1,854										1,854
Interfund loans payable . . . . .				28,656			\$10,033				38,689
Deferred revenue . . . . .	1,164,404	21,578	\$248,922		6,173						1,441,077
Due to students . . . . .							8,453				8,453
General obligation bond payable . . . . .								1,790,000			1,790,000
Notes payable . . . . .	189,135										189,135
Total liabilities . . . . .	2,098,822	95,660	248,922	75,917	65,891		18,486		2,430,507		5,034,205
<b>EQUITY AND OTHER CREDITS:</b>											
Investment in general fixed assets . . . . .								\$6,652,936			6,652,936
Contributed capital . . . . .					174,754						174,754
Retained earnings (accumulated deficit):					(7,803)						11,914
Unreserved . . . . .											11,914
Fund balances:											
Reserved for encumbrances . . . . .	88,320	4,659		976,198							1,069,177
Reserved for prepayments . . . . .	12,247										12,247
Reserved for materials and supplies inventory . . . . .	44,603										44,603
Reserved for debt service . . . . .			196,760								196,760
Reserved for tax revenue unavailable for appropriation . . . . .	89,183	1,658	17,957								108,798
Reserved for BWC refunds . . . . .	50,385										50,385
Reserved for textbooks . . . . .	3,350										3,350
Unreserved-undesignated . . . . .	107,659	112,483		3,954,643			1,086				4,175,871
Total equity and other credits . . . . .	395,747	118,800	214,717	4,930,841	166,951		1,086				12,500,795
Total liabilities, equity and other credits . . . . .	\$2,494,569	\$214,460	\$463,639	\$5,006,758	\$232,842		\$19,572		\$6,652,936	\$2,430,507	\$17,535,000

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
From local sources:						
Taxes . . . . .	\$1,753,737	\$20,576	\$187,536			\$1,961,849
Tuition . . . . .	17,456					17,456
Earnings on investments . . . . .	84,363			\$181,623		265,986
Extracurricular . . . . .		48,818				48,818
Other local revenues . . . . .	39,622	40,427			\$5,122	85,171
Intergovernmental - State . . . . .	4,136,065	171,856	26,684	3,691,147		8,025,752
Intergovernmental - Federal . . . . .	1,854	615,243				617,097
<b>Total revenues . . . . .</b>	<b>6,033,097</b>	<b>896,920</b>	<b>214,220</b>	<b>3,872,770</b>	<b>5,122</b>	<b>11,022,129</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular . . . . .	2,840,260	273,194		76,677		3,190,131
Special . . . . .	370,009	191,165				561,174
Vocational . . . . .	187,094					187,094
Other . . . . .	33,386					33,386
Support services:						
Pupil . . . . .	292,036					292,036
Instructional staff . . . . .	227,267	110,651			5,205	343,123
Board of Education . . . . .	8,933					8,933
Administration . . . . .	689,245	119,158				808,403
Fiscal . . . . .	177,331	1,136	3,980	3,196		185,643
Business . . . . .	8,245					8,245
Operations and maintenance . . . . .	501,485	21,102				522,587
Pupil transportation . . . . .	311,308	87,324				398,632
Central . . . . .	10,163	25,337				35,500
Community services . . . . .		3,411				3,411
Extracurricular activities . . . . .	118,135	59,772				177,907
Facilities acquisition and construction . . . . .	29,700			567,409		597,109
Debt service:						
Principal retirement . . . . .			71,000			71,000
Interest and fiscal charges . . . . .	13,674		115,215	43,780		172,669
<b>Total expenditures . . . . .</b>	<b>5,818,271</b>	<b>892,250</b>	<b>190,195</b>	<b>691,062</b>	<b>5,205</b>	<b>7,596,983</b>
Excess of revenues over/(under) expenditures . . . . .	214,826	4,670	24,025	3,181,708	(83)	3,425,146
Other financing sources (uses):						
Operating transfers in . . . . .		9,670				9,670
Operating transfers out . . . . .	(9,670)					(9,670)
Proceeds from sale of fixed assets . . . . .	767					767
<b>Total other financing sources (uses) . . . . .</b>	<b>(8,903)</b>	<b>9,670</b>				<b>767</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses . . . . .	205,923	14,340	24,025	3,181,708	(83)	3,425,913
Fund balances, July 1 . . . . .	189,151	104,460	190,692	1,749,133	1,169	2,234,605
Increase in reserve for inventory . . . . .	673					673
<b>Fund balances, June 30 . . . . .</b>	<b>\$395,747</b>	<b>\$118,800</b>	<b>\$214,717</b>	<b>\$4,930,841</b>	<b>\$1,086</b>	<b>\$5,661,191</b>

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	General			Special Revenue			Debt Service			Capital Projects			Total (Memorandum only)		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>															
From local sources:															
Taxes.....	\$1,612,667	\$1,754,201	\$141,534	\$20,000	\$21,862	\$1,862	\$232,443	\$254,216	\$21,773				\$1,865,110	\$2,030,279	\$165,169
Tuition.....	12,310	13,840	1,530										12,310	13,840	1,530
Earnings on investments.....	61,066	84,005	22,939				\$145,000	\$174,621	\$29,621				258,066	258,066	52,560
Extracurricular activities.....				49,100	48,818	(282)							49,100	48,818	(282)
Other local revenues.....	26,990	37,065	10,075	36,100	40,652	4,552							63,090	77,717	14,627
Intergovernmental - State.....	3,991,009	4,119,853	128,844	168,812	171,855	3,043	20,957	26,684	5,727				6,314,278	7,500,106	1,185,828
Intergovernmental - Federal.....	1,500	1,854	354	619,681	616,243	(3,438)							621,181	618,097	(3,084)
Total revenues.....	5,705,542	6,010,818	305,276	893,693	899,430	5,737	253,400	280,900	27,500				9,131,135	10,547,483	1,416,348
<b>Expenditures:</b>															
Current:															
Instruction:															
Regular.....	2,885,770	2,894,997	(9,227)	300,986	273,997	26,989							3,278,246	3,246,190	32,056
Special.....	448,664	388,954	59,710	225,872	188,521	37,351							674,536	577,475	97,061
Vocational.....	184,033	186,176	(2,143)										184,033	186,176	(2,143)
Other.....	20,000	38,103	(18,103)										20,000	38,103	(18,103)
Support services:															
Pupil.....	290,754	291,580	(826)										290,754	291,580	(826)
Instructional staff.....	270,826	225,469	45,357	116,408	106,128	10,280							387,234	331,597	55,637
Board of Education.....	15,303	10,984	4,319										15,303	10,984	4,319
Administration.....	720,730	695,635	25,095	121,506	116,746	4,760							842,236	812,381	29,855
Fiscal.....	204,736	178,535	26,201	1,325	1,434	(109)	4,575	4,018	557				210,636	187,183	23,453
Business.....	9,475	8,565	910										9,475	8,565	910
Operations and maintenance.....	548,705	528,903	19,802	28,707	20,397	8,310							577,412	549,300	28,112
Pupil transportation.....	323,873	313,360	10,513	90,775	85,687	5,088							414,648	399,047	15,601
Central.....	28,570	11,178	17,392	3,411	3,411	0							48,348	36,067	12,281
Community services.....				64,233	60,351	3,882							3,411	3,411	0
Extracurricular activities.....	132,149	115,058	17,091										196,382	175,409	20,973
Facilities acquisition and construction.....	132,339	29,700	102,639										1,990,413	1,587,942	402,471
Debt service:															
Principal retirement.....															
Interest and fiscal charges.....															
Total expenditures.....	6,215,927	5,917,197	298,730	973,001	881,561	91,440	253,787	255,230	557				1,119,059	1,049,502	701,657
Excess of revenues over/ (under) expenditures.....	(510,385)	93,621	604,006	(79,308)	17,869	97,177	(387)	27,670	28,057				(2,065,924)	52,081	2,118,005
Other financing sources (uses):															
Refund of prior years expenditures.....		0	16,046											0	16,046
Refund of prior years receipts.....					(52)	(52)								0	(52)
Operating transfers in.....				9,000	9,670	670							9,000	9,670	670
Operating transfers out.....	(55,000)	(9,670)	45,330										(9,670)	(9,670)	45,330
Advances out.....	(146,438)	(10,033)	136,405										(146,438)	(10,033)	136,405
Proceeds from sale of fixed assets.....		767	767											767	767
Total other financing sources (uses).....	(201,438)	(2,890)	198,548	9,000	9,618	618							(192,438)	6,728	199,166
Excess of revenues and other financing sources over/ (under) expenditures and other financing (uses).....	(711,823)	90,731	802,554	(70,308)	27,487	97,795	(387)	27,670	28,057				(2,258,362)	58,809	2,317,171
Fund balances, July 1.....	668,405	668,405	0	122,876	122,876	0	167,542	167,542	0				4,129,984	4,129,984	0
Prior year encumbrances appropriated.....	57,224	57,224	0	30,668	30,668	0	0	0	0				944,280	944,280	0
Fund balances, June 30.....	\$13,806	\$816,360	\$802,554	\$83,236	\$181,031	\$97,795	\$167,155	\$195,212	\$28,057				\$2,815,902	\$5,133,073	\$2,317,171

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
COMBINED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating revenues:			
Tuition and fees . . . . .	\$7,758		\$7,758
Sales/charges for services . . . . .	193,124		193,124
Other operating revenues . . . . .	10,378	\$22,440	32,818
<b>Total operating revenues . . . . .</b>	<b>211,260</b>	<b>22,440</b>	<b>233,700</b>
Operating expenses:			
Personal services . . . . .	217,523		217,523
Contract services . . . . .	8,183		8,183
Materials and supplies . . . . .	175,074		175,074
Other operating expenses . . . . .	7,111	22,421	29,532
Depreciation . . . . .	12,026		12,026
<b>Total operating expenses . . . . .</b>	<b>419,917</b>	<b>22,421</b>	<b>442,338</b>
Operating income (loss) . . . . .	(208,657)	19	(208,638)
Nonoperating revenues:			
Operating grants . . . . .	168,166		168,166
Federal commodities . . . . .	39,057		39,057
Interest revenue . . . . .	3,401		3,401
<b>Total nonoperating revenues . . . . .</b>	<b>210,624</b>		<b>210,624</b>
Net income . . . . .	1,967	19	1,986
Retained earnings (accumulated deficit) at July 1 . . . . .	(9,770)	19,698	9,928
Retained earnings (accumulated deficit) at June 30. . . . .	(\$7,803)	\$19,717	\$11,914

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**  
**RICHLAND COUNTY, OHIO**  
 COMBINED STATEMENT OF CASH FLOWS  
 ALL PROPRIETARY FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Cash flows from operating activities:			
Cash received from tuition and fees . . . . .	\$7,758		\$7,758
Cash received from sales/service charges . . . . .	193,124		193,124
Cash received from other operations. . . . .	10,378	\$22,390	32,768
Cash payments for personal services. . . . .	(207,892)		(207,892)
Cash payments for contract services . . . . .	(8,508)		(8,508)
Cash payments for materials and supplies . . . . .	(131,382)		(131,382)
Cash payments for other expenses . . . . .	(7,111)	(22,421)	(29,532)
Net cash used in operating activities. . . . .	(143,633)	(31)	(143,664)
Cash flows from noncapital financing activities:			
Cash received from operating grants. . . . .	168,166		168,166
Net cash provided by noncapital financing activities. . . . .	168,166		168,166
Cash flows from investing activities:			
Interest received . . . . .	3,401		3,401
Net cash provided by investing activities. . . . .	3,401		3,401
Net increase (decrease) in cash and cash equivalents . . . . .	27,934	(31)	27,903
Cash and cash equivalents at beginning of year. . . . .	80,912	19,698	100,610
Cash and cash equivalents at end of year . . . . .	\$108,846	\$19,667	\$128,513
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss) . . . . .	(\$208,657)	\$19	(\$208,638)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation . . . . .	12,026		12,026
Federal donated commodities . . . . .	39,057		39,057
Changes in assets and liabilities:			
Decrease in materials and supplies inventory. . . . .	3,841		3,841
Increase in accounts receivable . . . . .		(50)	(50)
Increase in prepayments. . . . .	(325)		(325)
Increase in accounts payable . . . . .	2,164		2,164
Increase in accrued wages and benefits . . . . .	6,548		6,548
Increase in compensated absences payable . . . . .	1,139		1,139
Increase in pension obligation payable . . . . .	1,944		1,944
Decrease in deferred revenue . . . . .	(1,370)		(1,370)
Net cash used in operating activities. . . . .	(\$143,633)	(\$31)	(\$143,664)

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

Plymouth-Shiloh Local School District (the "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 operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the district's 4 instructional/support facilities staffed by 54 classified and 78 certificated full-time teaching personnel, who provide services to 990 students and other community members. The District ranks as the 506<sup>th</sup> by enrollment among 682 public and community school districts in the State, and 8<sup>th</sup> largest in Richland County.

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

The general purpose financial statements (GPFS) 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 District's significant accounting policies are described below.

**A. Reporting Entity**

The District's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units.

The following organizations are described due to their relationship with the District:

*JOINTLY GOVERNED ORGANIZATIONS:*

Heartland Council of Governments (the COG)

The COG (formally known as North Central Ohio Computer Cooperative) is a jointly governed organization among 15 school districts and 1 county educational service center. The COG was formed for the purpose of applying modern technology with the aid of computers and other electronic technology to administrative and instructional functions. Each member district supports the COG based on a per pupil charge, dependent upon the software package utilized. The COG is governed by a Board of Directors consisting of superintendents of the members school districts. The degree of control exercised by any school district is limited to its representation on the Board. In accordance with GASB Statement No. 14, the District does not have any equity interest in the COG. Financial information can be obtained from the treasurer for the Pioneer Career and Technology Center, who serves as fiscal agent, at 27 Ryan Road, Shelby, Ohio 44875-0309.

Pioneer Career and Technology Center (PCTC)

The PCTC is a district political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Treasurer of the Pioneer Career and Technology Center at 27 Ryan Road, Shelby, OH 44875.

*PUBLIC ENTITY RISK POOL:*

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established in Section 4123.29 of the Ohio Revised Code. Refer to Note 14 for further information on this group rating plan.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

**B. Fund Accounting**

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

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

*GOVERNMENTAL FUNDS*

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

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

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

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



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

Capital Projects Funds - The 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 FUNDS*

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

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

Internal Service Funds - The internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis.

*FIDUCIARY FUNDS*

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include an expendable trust fund and an agency fund. The expendable trust fund is accounted for in the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency fund is presented on a budget basis, with note disclosure identifying items, which, in other fund types, would be subject to accrual (See Note 3.C.).

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

*ACCOUNT GROUPS*

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

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

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

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

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

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

The modified accrual basis of accounting is followed for all governmental and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 days after the June 30 year-end. Revenues accrued at the end of the year include taxes (to the extent they are intended to finance the current fiscal year), interest, intergovernmental grants (to the extent they are intended to finance the current fiscal year) and accounts (student fees and tuition).

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

Current property taxes measurable as of June 30, 2001, and which are intended to finance fiscal 2002 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available. Revenue from income taxes is recognized in the fiscal year in which the underlying exchange occurred and the resources are available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available.

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exception: general long-term obligation principal and interest are reported only when due; and costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The proprietary funds receive no revenue from property or income taxes.

**D. Budgets**

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2001, is as follows:

1. Prior to January 15, of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Richland County Budget Commission for tax rate determination.
3. Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2001.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation measure to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level, the District has presented budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2001.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at year-end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 18 provides a reconciliation of the budgetary and GAAP basis of accounting and Note 15 discloses encumbrances outstanding for the enterprise funds at fiscal year-end.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

**E. Cash and Investments**

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

During fiscal year 2001, investments were limited to federal agency notes, commercial paper, U.S. government money market mutual funds and investments in the State Treasury Asset Reserve (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2001.

Under existing Ohio statutes, all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Food Service enterprise fund receives interest earnings based upon Federal mandate. Interest revenue credited to the general fund during fiscal year 2001, amounted to \$84,363, which includes \$46,121 assigned from other District funds.

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.

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

**F. Inventory**

Inventories for all governmental funds are valued at cost (first-in/first-out method). The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories at year-end are reported as assets of the respective fund, which are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets.

Inventories of proprietary funds consist of donated food, purchased food, food service paper and janitorial supplies and are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased. Donated food is valued at the fair market value at the date donated.

**G. Fixed Assets and Depreciation**

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost or estimated historical cost. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$500. Books, records, movies and other learning aids kept at the District's library are also included for reporting purposes. No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets account group.

2. Proprietary Funds

Equipment reflected in these funds are stated at historical cost or estimated historical cost and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Life (years)</u>
Furniture, fixtures and equipment	5-12

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

**H. Intergovernmental Revenues**

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

Entitlements

General Fund

State Foundation Program  
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Education Management Information Systems  
Title VI-B  
Teacher Development  
Title I  
Disadvantaged Pupil Impact Aid  
Professional Development SchoolNet  
Ohio Reads  
Summer Intervention  
Safe School  
Eisenhower  
Title VI-R  
Telecommunications Grant  
Network Connectivity  
Title VI  
Richland County Foundation  
Classroom Facilities Maintenance  
Extended Learning  
Summer School Transportation  
School Reading Improvement  
School Improvement Incentive



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

*Non-Reimbursable Grants - (Continued)*

Capital Projects Funds

Technology Equity  
Classroom Facilities  
SchoolNet

Proprietary Fund

Food Distribution Program

*Reimbursable Grants*

General Fund

Driver Education Reimbursement  
School Bus Purchases  
Vocational Education Travel/Salary

Proprietary Funds

National School Lunch Program  
School Breakfast Program

Grants and entitlements amounted to approximately 77% of the District's operating revenue during the 2001 fiscal year.

**I. Compensated Absences**

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service and all employees with at least 20 years of service, regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

Accumulated vacation and severance of governmental fund type employees meeting the above requirements have been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees meeting the above requirements who are paid from proprietary funds is recorded as an expense when earned.

**J. Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants, or contributions from developers, customers, or other funds. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings (accumulated deficit) at year-end.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

**K. Long-Term Obligations**

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

Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**L. Fund Equity**

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, materials and supplies inventory, prepayments, debt service, tax revenue unavailable for appropriation, textbooks and Bureau of Workers Compensation (BWC) refunds. The reserve for property tax revenue unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriations under State statute. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds.

**M. Interfund Transactions**

Transactions between funds during the normal course of operations may occur. The most significant may include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as “interfund loans receivable or payable”. The District had short-term interfund loans receivable and payable at June 30, 2001.

An analysis of interfund transactions is presented in Note 5.

**N. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents that are restricted in use by State statute. Fund balance reserves have also been established. See Note 21 for details.

**O. Estimates**

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

**P. Prepayments**

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

**Q. Memorandum Only - Total Columns**

Total columns on the GPFS are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principle**

GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions," was implemented during fiscal 2001. This statement pertains to the financial reporting of certain types of revenue received by the District for which no value is given in return, including derived tax revenues, imposed nonexchange transactions, government-mandated nonexchange transactions, and voluntary nonexchange transactions. The adoption of this statement had no effect on fund balances/retained earnings as previously reported by the District at June 30, 2000.

**B. Deficit Fund Balances/Retained Earnings**

Fund balance/retained earnings at June 30, 2001 included the following individual fund deficits:

	<u>Fund Deficits</u>
<u>Special Revenue Funds</u>	
Teacher Development	\$ 25
Education Management Information Systems	9
Disadvantaged Pupil Impact Aid	7,979
Miscellaneous Federal Grants	10,587
<u>Enterprise Fund</u>	
Food Service	27,907

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end.

The deficit fund balances in the Teacher Development, Education Management Information Systems, Disadvantaged Pupil Impact Aid, and Miscellaneous Federal Grants special revenue funds are caused by the application of GAAP, namely in the reporting of a liability for accrued wages attributable to the fiscal year. This deficit balance will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30.

The deficit retained earnings in the Food Service enterprise fund is a result of accruing wage, benefit and retirement obligations in accordance with GAAP. This deficit will be eliminated by user charges and intergovernmental revenues not recognized at June 30.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

**C. Agency Fund**

The following is an accrual for the agency fund, which, if in another fund type, would be recognized on the combined balance sheet:

<u>LIABILITIES</u>	
Accounts payable	\$55

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

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity In Pooled Cash and Cash Equivalents". Statutes require the classification of 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 monies deposited with the institution.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

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 or interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 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 Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

*Cash on Hand:* At fiscal year-end, the District had \$2,700 in undeposited cash on hand, which is included on the combined balance sheet of the District as part of "Equity in Pooled Cash and Cash Equivalents".

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

*Deposits:* At year-end, the carrying amount of the District's deposits was \$20,965 and the bank balance was \$158,414. Of the bank balance:

1. \$100,000 was covered by federal depository insurance.
2. \$58,414 was uninsured and unregistered as defined by GASB although it was secured by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposits in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

*Investments:* Investments are categorized to give an indication of the level of holding risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio and U.S. government money market mutual funds are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Federal agency notes	\$1,209,277	\$1,209,277	\$1,209,277
Commercial paper	<u>473,749</u>	473,749	473,749
Total	<u>\$1,683,026</u>		
Investment in STAR Ohio		4,581,339	4,581,339
U.S. government money market mutual fund		<u>158,752</u>	<u>158,752</u>
Total investments		<u>\$6,423,117</u>	<u>\$6,423,117</u>

At June 30, 2001, the net unrealized gain is \$23,192 and has been included in earnings on investments.

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, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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

A reconciliation between the classifications of equity in pooled cash and cash equivalents and investments on the combined balance sheet (per GASB Statement No. 9) and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/ Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 6,446,782	\$ 0
Investments of the cash management pool:		
Federal agency notes	(1,209,277)	1,209,277
Commercial paper	(473,749)	473,749
Investment in STAR Ohio	(4,581,339)	4,581,339
U.S. government money market mutual fund	(158,752)	158,752
Cash on hand	<u>(2,700)</u>	<u>---</u>
GASB Statement No. 3	<u>\$ 20,965</u>	<u>\$6,423,117</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

A. The following is a summarized breakdown of the District's operating transfers for fiscal year 2001:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ ---	\$9,670
<u>Special Revenue Fund</u>		
District Managed Student Activity	<u>9,670</u>	<u>---</u>
Total	<u>\$9,670</u>	<u>\$9,670</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

**B.** Interfund balances at June 30, 2001, consist of the following individual interfund loans receivable and payable.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$38,689	\$ - - -
<u>Capital Projects Fund</u>		
Classroom Facilities	- - -	28,656
<u>Agency Fund</u>		
Student Managed Activities	<u>- - -</u>	<u>10,033</u>
Total	<u>\$38,689</u>	<u>\$38,689</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District. Real property taxes and public utility taxes are levied after November 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

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

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2000 taxes were collected was \$50,417,300. Agricultural/residential and public utility/minerals real estate represented 82.51% or \$41,601,030 of this total; Commercial & industrial real estate represented 6.90% or \$3,476,080 of this total, public utility tangible represented 8.24% or \$4,154,510 of this total and general tangible property represented 2.35% or \$1,185,680 of this total. The voted general tax rate at the fiscal year ended June 30, 2001, was \$32.40 per \$1,000.00 of assessed valuation for operations and \$4.90 per \$1,000.00 of assessed valuation for debt service.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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

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.

The District receives property taxes from Richland, Huron and Crawford Counties. The respective County Treasurers collect property taxes on behalf of the District. The respective County Auditors periodically remit to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. A total of \$108,798 was available to the District as an advance at June 30 and is recognized as revenue.

Taxes available for advance and recognized as revenue, but not received by the district prior to June 30, 2001, are reflected as a reservation of fund balance for future appropriations. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

**NOTE 7 - SCHOOL DISTRICT INCOME TAX**

The voters of the District passed a 1% school district income tax at the May 8, 1990, election and became effective January 1, 1991. This tax is effective indefinitely. School district income tax revenue received by the general fund during fiscal year 2001 was \$573,125.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2001, consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements (to the extent such grants and entitlements relate to the current fiscal year). Intergovernmental receivables have been reported as "Due From Other Governments" on the combined balance sheet. 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 fiscal year guarantee of Federal funds.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - current & delinquent	\$1,466,901
Accounts	4,011
Accrued interest	2,276
 <u>Special Revenue Fund</u>	
Taxes - current & delinquent	23,412
 <u>Debt Service Fund</u>	
Taxes - current & delinquent	268,427
 <u>Capital Projects Fund</u>	
Accrued interest	19,297

**NOTE 9 - FIXED ASSETS**

A summary of the changes in the general fixed assets account group during the fiscal year follows:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2001</u>
Land/Improvements	\$ 77,490	\$ ---	\$ ---	\$ 77,490
Buildings/Improvements	2,755,274	---	---	2,755,274
Furniture/Equipment	1,714,890	156,812	(80,876)	1,790,826
Vehicles	502,611	110,049	(24,109)	588,551
Textbooks and Library Books	876,786	---	---	876,786
Construction in Progress	<u>---</u>	<u>564,009</u>	<u>---</u>	<u>564,009</u>
Total	<u>\$5,927,051</u>	<u>\$830,870</u>	<u>\$(104,985)</u>	<u>\$6,652,936</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 9 - FIXED ASSETS - (Continued)**

The construction in progress represents costs incurred and paid by June 30, 2001, for the construction of the new middle/high school building. The construction is expected to be completed in November 2002.

A summary of the proprietary fixed assets at June 30, 2001, follows:

Furniture and equipment	\$ 266,776
Less: accumulated depreciation	<u>(152,086)</u>
Net fixed assets	<u>\$ 114,690</u>

**NOTE 10 - CONTRIBUTED CAPITAL**

Changes in contributed capital for the year ended June 30, 2001, are as follows:

	<u>Food Service</u>
Contributed capital, July 1, 2000	\$174,754
Current contributions from other funds	<u>    ---</u>
Contributed capital, June 30, 2001	<u>\$174,754</u>

**NOTE 11 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2000, the District issued \$1,761,000 in general obligation bonds to provide long-term financing for the renovation of the elementary school and the construction of a new middle school/ high school building. These bonds bear an annual interest rate of 5.0% and mature in fiscal year 2024. In addition, the District made its regularly scheduled principal and interest payments on the Jr. High Building general obligation bond.

Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The unmaturred obligation at year-end is accounted for in the general long-term debt account group.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a description of the District's general obligation bonds outstanding as of June 30, 2001.

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Outstanding July 1, 2000</u>	<u>Issued in 2001</u>	<u>Retired in 2001</u>	<u>Outstanding June 30, 2001</u>
General obligation bond payable - Jr. High Building	5.5%	12/01/01	\$ 100,000	\$ - - -	\$(50,000)	\$ 50,000
General obligation bond payable - Facilities Building	5.0%	12/01/23	<u>1,761,000</u>	<u>- - -</u>	<u>(21,000)</u>	<u>1,740,000</u>
			<u>\$1,861,000</u>	<u>\$ 0</u>	<u>\$(71,000)</u>	<u>\$1,790,000</u>

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

<u>Fiscal Year Ending</u>	<u>Principal on Bond</u>	<u>Interest on Bond</u>	<u>Total</u>
2002	\$ 85,000	\$ 106,298	\$ 191,298
2003	35,000	103,128	138,128
2004	55,000	111,169	166,169
2005	50,000	97,975	147,975
2006	50,000	95,288	145,288
2007 - 2011	295,000	430,411	725,411
2012 - 2016	400,000	327,211	727,211
2017 - 2021	545,000	171,170	716,170
2022 - 2023	<u>275,000</u>	<u>17,515</u>	<u>292,515</u>
Total	<u>\$1,790,000</u>	<u>\$1,460,165</u>	<u>\$3,250,165</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

C. During the fiscal year ended June 30, 2001, the following changes occurred in the liabilities reported in the general long-term obligations account group. Compensated absences are presented net of actual increases and decreases because of the practicality of determining these values. Compensated absences and the early retirement incentive will be paid from the fund in which the employee was paid.

	Balance <u>July 1, 2000</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>June 30, 2001</u>
Compensated absences	\$ 429,001	\$ - - -	\$(149,170)	\$ 279,831
Early retirement incentive	0	354,954	(44,627)	310,327
Pension obligation payable	44,912	50,349	(44,912)	50,349
General obligation bonds payable	<u>1,861,000</u>	<u>- - -</u>	<u>(71,000)</u>	<u>1,790,000</u>
Total	<u>\$2,334,913</u>	<u>\$405,303</u>	<u>\$(309,709)</u>	<u>\$2,430,507</u>

An early retirement incentive plan was instituted in fiscal 2001 (See Note 13.B.). The liability for employees accepting the plan have been reported as "Early Retirement Incentive Payable" on the combined balance sheet. Certain of these employees were previously reported as a component of the "Compensated Absences Payable" liability at June 30, 2000.

**D. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2001, are a voted debt margin of \$2,962,274 (including available funds of \$214,717) and an unvoted debt margin of \$50,417.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 12 - NOTES PAYABLE**

- A.** A summary of the energy conservation note transactions for the year ended June 30, 2001, follows:

<u>General Fund:</u>	<u>Principal Outstanding July 1, 2000</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2001</u>
Energy Conservation Note - 5.25%	\$ 32,628	\$ (8,158)	\$ 24,470
Energy Conservation Note - 5.80%	<u>205,830</u>	<u>(41,165)</u>	<u>164,665</u>
Total	<u>\$238,458</u>	<u>\$(49,323)</u>	<u>\$189,135</u>

The District has issued energy conservation notes to provide for energy improvements to various District buildings. The primary source of repayment of these notes is through energy savings as a result of the improvements.

Payments of principal and interest relating to this liability are recorded in the general fund. The unmatured obligation at year-end is accounted for in the general fund, the fund, which received the proceeds.

- B.** On February 15, 2001, the District issued a \$1,761,000 bond anticipation note to finance the renovation of the elementary school and the construction of a new middle school/ high school building. This note had an annual interest rate of 5.00% and matured on August 14, 2000. This note was retired in full during fiscal 2001. A summary of the bond anticipation note transactions for the fiscal year ended June 30, 2001, follows:

<u>Capital Projects Fund</u>	<u>Principal Outstanding June 30, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2001</u>
Bond Anticipation Note - 5.00%	<u>\$1,761,000</u>	<u>\$ - - -</u>	<u>\$(1,761,000)</u>	<u>\$ 0</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 13 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 10 to 25 days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Administrators who are contracted to work 260 days in a year are given 15 to 20 days of vacation per year by contract. Any unused vacation days at the end of the contract are forfeited. The only exception is the Superintendent who can accumulate vacation for up to 3 years at the end of his contract, and the Treasurer who can accumulate vacation for up to 2 years at the end of her contract. Teachers do not earn vacation time.

Administrators, teachers, and classified employees earn sick leave at a rate as follows: for 199 days or less, accumulated payment is made for 25% of sick leave balance to a maximum of 66 days; for over 199 days, payment is made for 27% of sick leave balance to a maximum of 66 days. Payment of severance shall be paid at time of retirement after all requirements of eligibility have been met.

Calamity days are paid for certified, cooks, and bus driver employees. Up to five days per year are provided under this benefit.

Personal leave days are available to all employees at the rate of three days annually. Any unused personal days are converted to sick days.

**B. Early Retirement Incentive**

The District provides an early retirement incentive plan (ERIP) for State Teachers Retirement System (STRS) employees who are fifty years old by his or her retirement date or the termination of the ERIP and are eligible for retirement under STRS criteria. Under the ERIP, the District will purchase up to two years of retirement service credit in lieu of severance. The ERIP is in effect from June 30, 2001 through May 31, 2002, and from June 1, 2002 through May 31, 2003. Employees enrolled in the ERIP had to notify the District by February 15, 2001, stating his or her intention to retire beginning June 1, 2001 through May 31, 2003. The number of years purchased for any eligible STRS member may not exceed one-fifth of the individual's accumulated service credit prior to the purchase, or a total of two years, whichever is less.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 13 - EMPLOYEE BENEFITS - (Continued)**

Any STRS member who elects to retire under the ERIP will receive his or her cash payment in lieu of severance based upon the following:

1. Fifty percent payment will be made with thirty days of the thirty-sixth month after the effective date of retirement.
2. Fifty percent payment will be made within thirty days of the forty-eighth month after the effective date of retirement.

As of June 30, 2001, eight employees elected to participate in the ERIP. The liability for employees accepting the ERIP is presented as "Early Retirement Incentive Payable" on the combined balance sheet.

**NOTE 14 - RISK MANAGEMENT**

**A. Property, Fleet, and Liability Insurance**

The 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. During fiscal year 2001, the District contracted with a commercial insurer for building and personal property coverage in the blanket amount of \$16,087,047, 90% coinsurance, replacement cost endorsement and a \$500 deductible. Boiler and machinery coverage is also provided with blanket coverage in the amount of \$16,087,047, with a \$500 deductible.

Blanket electronic data processing coverage is maintained for \$333,130 of equipment and \$6,500 of data processing media. The deductible of \$100 is applicable to all but mechanical breakdown and \$1,000 deductible is applicable to mechanical breakdown.

Vehicles are covered by a policy, which provides for a \$50 deductible for comprehensive and a \$250 deductible for collision. Vehicle liability has a \$1,000,000 combined single limit of liability. The District maintains coverage of \$15,000 for hired or borrowed autos with a \$50 deductible for comprehensive and a \$250 deductible for collision.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 14 - RISK MANAGEMENT - (Continued)**

The general liability coverage involves a \$1,000,000 single occurrence limit and \$3,000,000 general aggregate limit with no deductible. An umbrella liability coverage is provided above the previously stated base liability coverages for general and fleet liability in the amount of \$1,000,000 with no deductible.

**B. Employee Dishonesty Bonds**

The District carries employee dishonesty bonds for the Treasurer, Superintendent, and Board President in the amount of \$20,000. An employee blanket dishonesty bond in the amount of \$100,000 is provided to cover all other employees of the District.

**C. Workers' Compensation**

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

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The worker's 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 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. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 14 - RISK MANAGEMENT - (Continued)**

**D. Employee Group Life, Medical, Dental, and Vision Insurance**

The District provides life insurance and accidental death and dismemberment insurance to all regular contracted employees through Sun Life in the amount of \$20,000. All eligible part-time contracted employees are covered in the amount of \$10,000.

The District has elected to provide a comprehensive medical benefits package to the employees through a fully-insured program. This package provides a comprehensive medical plan with a \$50 single and \$100 family deductible. The medical plan and prescription drug card are administered by Medical Mutual of Ohio located in Cleveland, Ohio. The total monthly premium for the medical and prescription drug plan is \$269 for single coverage and \$725 for family coverage. The District's portion of the monthly premium is \$257 for single coverage and \$695 for family coverage, which is paid out of the same fund that pays the salary for the employees. The District's amounts are capped by negotiated union contracts and cannot be increased except through negotiations. The employee monthly portion of the premium is \$29.96 for single coverage and \$12.25 for family coverage, which is withheld from their biweekly payroll.

The District provides dental coverage for its employees on a fully-insured basis through Medical Mutual of Ohio. The total monthly premium is \$18.26 for single and \$49.31 for family coverage. This premium includes the employee portion, which is paid by the District. Like the medical premium, this amount is also capped by negotiated union contracts and cannot be raised, except through negotiated agreement.

The District also provides vision coverage for its employees on a fully-insured basis through Reliance Standard. The total monthly premium is \$12.34 for single coverage and \$33.30 for family coverage. This premium includes the employee portion, which is paid by the District. This amount is also capped by negotiated union contracts and cannot be raised, except through negotiated agreement.

The above employee portions of premiums for medical, dental and vision insurance are for full-time employees. Part-time employees may pay pro-rated premiums for coverage.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 15 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

The District maintains three enterprise funds to account for the operations of food service, uniform school supplies and farm operations. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Farm Rotary</u>	<u>Total</u>
Operating revenue	\$ 188,120	\$3,382	\$19,758	\$ 211,260
Operating expenses				
before depreciation	390,207	2,041	15,643	407,891
Depreciation	11,288	---	738	12,026
Operating income (loss)	(213,375)	1,341	3,377	(208,657)
Operating grants	166,956	---	1,210	168,166
Net income (loss)	(3,961)	1,341	4,587	1,967
Fixed assets:				
Additions				
Net working capital	47,111	3,883	12,197	63,191
Total assets	210,371	3,883	18,588	232,842
Total liabilities	63,524	---	2,367	65,891
Contributed capital	174,754	---	---	174,754
Total equity	146,847	3,883	16,221	166,951
Encumbrances at 6/30/01	760	2,167	2,463	5,390

**NOTE 16 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 16 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14% for 2001; 4.2% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$128,058, \$103,832, and \$103,104, respectively; 46.46% has been contributed for fiscal year 2001 and 100% for the fiscal years 2000 and 1999. \$68,568, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$436,838, \$432,190, and \$400,748, respectively; 83.47% has been contributed for fiscal year 2001 and 100% for the fiscal years 2000 and 1999. \$72,228, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 17 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the Board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$140,412 during fiscal 2001.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000 (the latest information available). For the year ended June 30, 2000 (the latest information available), net health care costs paid by STRS were \$283.137 million and STRS had 99,011 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 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.

For this fiscal year, employer contributions to fund health care benefits were 9.8% of covered payroll. 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 year 2001, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 17 - POSTEMPLOYMENT BENEFITS - (Continued)**

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available), were \$140.7 million and the target level was \$211.0 million. At June 30, 2000 (the latest information available), SERS had net assets available for payment of health care benefits of \$252.3 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$108,132 during the 2001 fiscal year.

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 90,731	\$ 27,487	\$ 27,670	\$ (87,079)
Net adjustment for revenue accruals	22,279	(2,510)	(66,680)	516,435
Net adjustment for expenditure accruals	(7,703)	(20,706)	63,035	1,728,553
Net adjustment for other financing sources (uses)	(6,013)	52	---	---
Encumbrances (budget basis)	<u>106,629</u>	<u>10,017</u>	<u>---</u>	<u>1,023,799</u>
GAAP basis	<u>\$205,923</u>	<u>\$ 14,340</u>	<u>\$ 24,025</u>	<u>\$3,181,708</u>

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 19 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2001.

**B. Litigation**

The District is not currently a party to any legal proceedings.

**C. State School Funding Decision**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 19 - CONTINGENCIES - (Continued)**

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

**NOTE 20 - GROUP PURCHASING POOL**

The District is a member of the Metropolitan Educational Council (MEC) purchasing group. The following items are purchased through this group discount program; custodial products, food service products, audio visual bulbs, and certain paper products. The MEC also provides a Self-Help Gas Program where members save significant amounts on natural gas purchases.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 21 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2001, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>BWC Refunds</u>
Set-aside cash balance as of June 30, 2000	\$ (10,818)	\$ (15,958)	\$137,343	\$ 0
Current year set-aside requirement	130,172	130,172	---	---
Reclassification of budget stabilization	---	---	(50,385)	50,385
Elimination of budget stabilization reserve	---	---	(86,958)	---
Qualifying disbursements	<u>(116,004)</u>	<u>(147,548)</u>	<u>---</u>	<u>---</u>
Total	<u>\$ 3,350</u>	<u>\$ (33,334)</u>	<u>\$ 0</u>	<u>\$50,385</u>
Cash balance qualifying carry forward to FY 2002	<u>\$ 3,350</u>	<u>\$ (33,334)</u>	<u>\$ 0</u>	<u>\$50,385</u>

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. The School Board has not taken action to designate these funds for a specific use. Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute and the School Board. All remaining monies previously reported in the budget stabilization reserve are now reported as unreserved and undesignated fund balance in the general fund. The District is still required by state law to maintain the textbook reserve and capital acquisition reserve.

The District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition reserve, this extra amount may be used to reduce the set-aside requirement for future years. The negative amount is therefore presented as being carried forward to the next fiscal year.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 21 - STATUTORY RESERVES - (Continued)**

A schedule of the restricted assets at June 30, 2001, follows:

Amount restricted for BWC refunds	\$50,385
Amount restricted for textbooks	<u>3,350</u>
Total restricted assets	<u>\$53,735</u>

**NOTE 22 - OTHER LOCAL REVENUES**

Other local revenues in the expendable trust fund consist primarily of vending machine receipts. Other operating revenues in the enterprise fund consists primarily of the sale of farm crop sales. Other local revenues in the special revenue fund type consist largely of contracts and donations.

**NOTE 23 - LAND LEASE AGREEMENT**

During fiscal 2001, the District entered into a lease agreement for the use of 148.5 acres of land from the Muller-Hauss-Van Aken Farms L.P. The term of the lease is for a period of fifty years commencing on May 2, 2001, and ending on April 30, 2051, unless otherwise terminated or extended as permitted by the agreement. There is a clause allowing for an additional fifty year extension after April 30, 2051 if agreed upon by both parties. The District shall pay Muller-Hauss-Van Aken Farms L.P. \$29,700 annually on this lease. Muller-Hauss-Von Aken Farms L.P. retains title to the property.

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

**NOTE 24 - CONTRACTUAL COMMITMENTS**

As of June 30, 2001, the District had the following contractual commitments outstanding related to the renovation of the elementary school and the construction of a new middle/high school building. A summary of the primary contractual commitments follows:

<u>Vendor</u>	<u>Total Contract</u>	<u>Amount Paid</u>	<u>Remaining Commitment at 6/30/01</u>
Mosser	\$ 6,174,500	\$ - - -	\$ 6,174,500
Guenther	1,387,000	675	1,386,325
Mac Mechanical	155,450	- - -	155,450
Bay Mechanical	1,097,320	- - -	1,097,320
CTL	80,000	5,507	74,493
Key Blue Prints	62,391	1,795	60,596
Dauch Concrete	36,624	- - -	36,624
H&R Excavating	415,960	37,565	378,395
Lesko	1,004,791	402,679	602,112
Gilbane	<u>720,170</u>	<u>95,912</u>	<u>624,258</u>
Total	<u>\$11,134,206</u>	<u>\$544,133</u>	<u>\$10,590,073</u>

## **SUPPLEMENTAL DATA**



**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
<b>U. S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u></b>						
<i>Nutrition Cluster:</i>						
(A) (B) Food Distribution	10.550	N/A		\$26,308		\$26,669
(A) (C) School Breakfast Program	10.553	049460-05-PU-2000	\$6,246		\$6,246	
(A) (C) School Breakfast Program	10.553	049460-05-PU-2001	34,266		34,266	
(A) (C) National School Lunch Program	10.555	049460-LL-P1-2000	13,132		13,132	
(A) (C) National School Lunch Program	10.555	049460-LL-P4-2000	2,854		2,854	
(A) (C) National School Lunch Program	10.555	049460-LL-P1-2001	83,526		83,526	
(A) (C) National School Lunch Program	10.555	049460-LL-P4-2001	17,284		17,284	
<b>Total U. S. Department of Agriculture and Nutrition Cluster</b>			<u>157,308</u>	<u>26,308</u>	<u>157,308</u>	<u>26,669</u>
<b>U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE <u>N/A</u></b>						
Twenty-first Century Community Learning Centers	84.287	S287A001064	322,389		317,193	
<b>U. S. DEPARTMENT OF EDUCATION PASSED THROUGH THE <u>OHIO DEPARTMENT OF EDUCATION:</u></b>						
Title I - Grants to Local Educational Agencies	84.010	049460-C1-S1-2000	0		46,191	
Title I - Grants to Local Educational Agencies	84.010	049460-C1-S1-2001	178,543		142,329	
<b>Total Title I</b>			<u>178,543</u>		<u>188,520</u>	
Special Education - Grants to States	84.027	049460-6B-SF-1999P	0		8,097	
Special Education - Grants to States	84.027	049460-6B-SF-2000P	60,931		49,518	
<b>Total Special Education</b>			<u>60,931</u>		<u>57,615</u>	
Eisenhower Professional Development Grants	84.281	049460-MS-S1-2000	0		5,856	
Eisenhower Professional Development Grants	84.281	049460-MS-S1-2001	5,827		1,720	
<b>Total Eisenhower Professional Development Grants</b>			<u>5,827</u>		<u>7,576</u>	
Safe, Drug-Free Schools and Communities Act Grant	84.186	049460-DR-S1-2001	4,138		4,138	
Innovative Education Program Strategies	84.298	049460-C2-S1-1999C	0		150	
Innovative Education Program Strategies	84.298	049460-C2-S1-2000	0		927	
Innovative Education Program Strategies	84.298	049460-C2-S1-2001	4,939		4,390	
<b>Total Innovative Education Program Strategies</b>			<u>4,939</u>		<u>5,467</u>	
Class Size Reduction	84.340	049460-CR-S1-2000	4,683		6,206	
Class Size Reduction	84.340	049460-CR-S1-2000	34,793		28,214	
<b>Total Class Size Reduction</b>			<u>39,476</u>		<u>34,420</u>	
<b>PASSED THROUGH THE <u>PIONEER CAREER AND TECHNOLOGY CENTER:</u></b>						
Vocational Education - Basic Grants to States	84.048	N/A	1,854		1,854	
<b>Total U. S. Department of Education</b>			<u>618,097</u>		<u>616,783</u>	
<b>Total Federal Financial Assistance</b>			<u>\$775,405</u>	<u>\$26,308</u>	<u>\$774,091</u>	<u>\$26,669</u>

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs.  
 (B) The Food Distribution Program is a noncash, in kind, federal grant. Commodities are valued at fair market prices.  
 (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.  
 (D) This schedule was prepared on the cash basis of accounting.

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

We have audited the general purpose financial statements of Plymouth-Shiloh Local School District as of and for the fiscal year ended June 30, 2001, and have issued our report thereon dated November 7, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

Board of Education  
Plymouth-Shiloh Local School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Plymouth-Shiloh Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the management of Plymouth-Shiloh Local School district in a separate letter dated November 7, 2001.

This report is intended for the information and use of the management and Board of Education of the Plymouth-Shiloh Local School 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.

Trimble, Julian & Grube, Inc.  
November 7, 2001

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## **Report on Compliance With Requirements Applicable to Its Major Federal Program and Internal Control Over Compliance in Accordance With *OMB Circular A-133***

Board of Education  
Plymouth-Shiloh Local School District  
365 Sandusky Street  
Plymouth, Ohio 44865

### Compliance

We have audited the compliance of Plymouth-Shiloh Local School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2001. Plymouth-Shiloh Local School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Plymouth-Shiloh Local School District's management. Our responsibility is to express an opinion on Plymouth-Shiloh Local School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Plymouth-Shiloh Local School 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 Plymouth-Shiloh Local School District's compliance with those requirements.

Board of Education  
Plymouth-Shiloh Local School District

In our opinion, Plymouth-Shiloh Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2001.

#### Internal Control Over Compliance

The management of Plymouth-Shiloh Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Plymouth-Shiloh Local School 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 level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, the Board of Education of Plymouth-Shiloh Local School District, 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.

Trimble, Julian & Grube, Inc.  
November 7, 2001

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
RICHLAND COUNTY  
JUNE 30, 2001**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505**

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

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under § .510?</i>	No

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT  
 RICHLAND COUNTY  
 JUNE 30, 2001**

**SCHEDULE OF FINDINGS  
 OMB CIRCULAR A-133 § .505**

**1. SUMMARY OF AUDITOR'S RESULTS (Continued)**

<i>(d)(1)(vii)</i>	<i>Major Program:</i>	Twenty-First Century Community Learning Centers, CFDA #84.287
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

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

None

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

None







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**PLYMOUTH-SHILOH LOCAL SCHOOL DISTRICT**

**RICHLAND COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 31, 2002**