



**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Waynesfield-Goshen Local School District
Auglaize County
500 North Westminster Street
Waynesfield, OH 45896

To the Board of Education:

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2000, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

November 28, 2000

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**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,650,477	\$129,117	\$70,582	\$86,568
Cash and Cash Equivalents with Fiscal Agent		4,044		
Receivables:				
Property Taxes	721,050	13,539	106,380	36,598
Income Taxes	136,186			
Accounts	169	34		
Intergovernmental	600	98		
Accrued Interest				
Interfund	18,500			
Prepaid Items	28,426	833		
Inventory Held for Resale				
Materials and Supplies Inventory	17,543			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	66,681			
Fixed Assets (net, where applicable, of accumulated depreciation)				
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Debt				
Amount to be Provided from General Governmental Resources				
Total Assets and Other Debits	\$2,639,632	\$147,665	\$176,962	\$123,166

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

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Enterprise</u>	<u>Trust and Agency</u>			
\$44,176	\$33,903			\$2,014,823
				4,044
				877,567
				136,186
499				702
				698
	71			71
				18,500
1,066				30,325
5,175				5,175
325				17,868
				66,681
40,184		6,837,678		6,877,862
			77,617	77,617
			1,056,886	1,056,886
<u>\$91,425</u>	<u>\$33,974</u>	<u>\$6,837,678</u>	<u>\$1,134,503</u>	<u>\$11,185,005</u>

(Continued)

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity, and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$6,908			
Accrued Wages and Benefits	264,676	8,802		
Compensated Absences Payable	7,771			
Intergovernmental Payable	56,328	1,094		
Interfund Payable				
Deferred Revenue	677,397	12,771	99,345	34,344
Due to Students				
Asbestos Removal Loan Payable				
General Obligation Bonds Payable				
Total Liabilities	1,013,080	22,667	99,345	34,344
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets				
Contributed Capital				
Retained Earnings:				
Unreserved, Undesignated				
Fund Balance:				
Reserved for Property Taxes	43,653	768	7,035	2,254
Reserved for Inventory	17,543			
Reserved for Budget Stabilization	46,386			
Reserved for Bus Purchase	20,295			
Reserved for Encumbrances	102,051	3,477		350
Unreserved	1,396,624	120,753	70,582	86,218
Total Fund Equity and Other Credits	1,626,552	124,998	77,617	88,822
Total Liabilities, Fund Equity, and Other Credits	\$2,639,632	\$147,665	\$176,962	\$123,166

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

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
<u>Enterprise</u>	<u>Trust and Agency</u>			
\$8,250				\$15,158
8,813				282,291
7,265			222,778	237,814
10,058			30,768	98,248
18,500				18,500
1,657				825,514
	26,160			26,160
			10,957	10,957
			870,000	870,000
<u>54,543</u>	<u>26,160</u>		<u>1,134,503</u>	<u>2,384,642</u>
		6,837,678		6,837,678
90				90
36,792				36,792
				53,710
				17,543
				46,386
				20,295
				105,878
	7,814			1,681,991
<u>36,882</u>	<u>7,814</u>	<u>6,837,678</u>		<u>8,800,363</u>
<u>\$91,425</u>	<u>\$33,974</u>	<u>\$6,837,678</u>	<u>\$1,134,503</u>	<u>\$11,185,005</u>

WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Fiduciary	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	
Revenues:						
Property Taxes	\$723,670	\$13,764	\$112,003	\$36,989		\$886,426
Income Taxes	410,611					410,611
Intergovernmental	2,139,075	370,699	15,218	94,973		2,619,965
Interest	106,908			3,536	403	110,847
Tuition and Fees	24,362					24,362
Extracurricular Activities		59,553				59,553
Miscellaneous	22,842					22,842
Total Revenues	<u>3,427,468</u>	<u>444,016</u>	<u>127,221</u>	<u>135,498</u>	<u>403</u>	<u>4,134,606</u>
Expenditures:						
Current:						
Instruction:						
Regular	1,472,790	320,732		18,085	1,000	1,812,607
Special	245,857	46,610				292,467
Vocational	46,422					46,422
Other	3,697					3,697
Support Services:						
Pupils	71,291	1,008				72,299
Instructional Staff	113,204	91,070				204,274
Board of Education	16,916					16,916
Administration	322,904	2,256				325,160
Fiscal	121,031	233	1,684	576		123,524
Operation and Maintenance of Plant	384,241	14,646				398,887
Pupil Transportation	166,701					166,701
Central	3,312					3,312
Extracurricular Activities	73,786	58,132				131,918
Capital Outlay				29,230		29,230
Debt Service:						
Principal Retirement			55,000			55,000
Interest and Fiscal Charges			62,522			62,522
Total Expenditures	<u>3,042,152</u>	<u>534,687</u>	<u>119,206</u>	<u>47,891</u>	<u>1,000</u>	<u>3,744,936</u>
Excess of Revenues Over (Under) Expenditures	<u>385,316</u>	<u>(90,671)</u>	<u>8,015</u>	<u>87,607</u>	<u>(597)</u>	<u>389,670</u>
Other Financing Sources (Uses):						
Operating Transfers In	4,174					4,174
Operating Transfers Out	(4,400)			(4,174)		(8,574)
Total Other Financing Sources (Uses)	<u>(226)</u>			<u>(4,174)</u>		<u>(4,400)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	385,090	(90,671)	8,015	83,433	(597)	385,270
Fund Balances at Beginning of Year	1,236,469	215,669	69,602	5,389	8,411	1,535,540
Increase in Reserve for Inventory	4,993					4,993
Fund Balances at End of Year	<u>\$1,626,552</u>	<u>\$124,998</u>	<u>\$77,617</u>	<u>\$88,822</u>	<u>\$7,814</u>	<u>\$1,925,803</u>

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

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WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property Taxes	\$712,061	\$724,399	\$12,338	\$13,449	\$13,725	\$276
Income Taxes	375,000	413,062	38,062			
Intergovernmental	2,154,992	2,138,476	(16,516)	360,194	360,411	217
Interest	76,250	102,017	25,767			
Tuition and Fees	19,050	24,295	5,245			
Extracurricular Activities				55,975	59,388	3,413
Miscellaneous	35,647	20,911	(14,736)			
Total Revenues	3,373,000	3,423,160	50,160	429,618	433,524	3,906
Expenditures:						
Current:						
Instruction:						
Regular	1,557,770	1,496,669	61,101	375,241	316,600	58,641
Special	285,118	268,634	16,484	45,959	42,041	3,918
Vocational	47,663	46,254	1,409			
Other	3,700	3,697	3			
Support Services:						
Pupils	93,239	72,074	21,165	3,037	1,008	2,029
Instructional Staff	123,078	112,919	10,159	102,273	87,215	15,058
Board of Education	22,590	17,182	5,408			
Administration	355,456	327,120	28,336	2,249	2,249	
Fiscal	142,402	127,372	15,030	250	233	17
Operation and Maintenance of Plant	464,169	417,221	46,948	14,646	14,646	
Pupil Transportation	189,698	172,984	16,714			
Central	9,500	9,312	188			
Extracurricular Activities	74,550	73,868	682	72,301	62,090	10,211
Capital Outlay						
Debt Service:						
Principal Retirement						
Interest and Fiscal Charges						
Total Expenditures	3,368,933	3,145,306	223,627	615,956	526,082	89,874
Excess of Revenues Over (Under) Expenditures	4,067	277,854	273,787	(186,338)	(92,558)	93,780
Other Financing Sources (Uses):						
Refund of Prior Year Expenditures		1,930	1,930		70	70
Proceeds from Sale of Fixed Assets	300		(300)			
Advances In	78,433	87,932	9,499			
Advances Out	(22,000)	(18,500)	3,500			
Operating Transfers In		4,174	4,174			
Operating Transfers Out	(143,564)	(2,400)	141,164			
Total Other Financing Sources (Uses)	(86,831)	73,136	159,967		70	70
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(82,764)	350,990	433,754	(186,338)	(92,488)	93,850
Fund Balances at Beginning of Year	1,189,950	1,189,950		210,794	210,794	
Prior Year Encumbrances Appropriated	56,724	56,724		7,334	7,334	
Fund Balances at End of Year	\$1,163,910	\$1,597,664	\$433,754	\$31,790	\$125,640	\$93,850

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

	Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
	Revised		Variance	Revised		Variance	Revised		Variance
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:									
Property Taxes	\$105,388	\$112,102	\$6,714	\$36,108	\$37,023	\$915			
Income Taxes									
Intergovernmental	13,503	15,218	1,715	94,593	94,973	380			
Interest				2,000	3,292	1,292	450	387	(63)
Tuition and Fees									
Extracurricular Activities									
Miscellaneous									
Total Revenues	118,891	127,320	8,429	132,701	135,288	2,587	450	387	(63)
Expenditures:									
Current:									
Instruction:									
Regular				38,267	35,037	3,230	1,000	1,000	
Special									
Vocational									
Other									
Support Services:									
Pupils									
Instructional Staff									
Board of Education									
Administration									
Fiscal	2,500	1,684	816	1,050	576	474			
Operation and Maintenance of Plant									
Pupil Transportation									
Central									
Extracurricular Activities									
Capital Outlay				91,592	13,723	77,869			
Debt Service:									
Principal Retirement	55,000	55,000							
Interest and Fiscal Charges	69,000	62,522	6,478						
Total Expenditures	126,500	119,206	7,294	130,909	49,336	81,573	1,000	1,000	
Excess of Revenues Over (Under) Expenditures	(7,609)	8,114	15,723	1,792	85,952	84,160	(550)	(613)	(63)
Other Financing Sources (Uses):									
Refund of Prior Year Expenditures									
Proceeds from Sale of Fixed Assets									
Advances In									
Advances Out				(72,932)	(72,932)				
Operating Transfers In									
Operating Transfers Out				(4,174)	(4,174)				
Total Other Financing Sources (Uses)				(77,106)	(77,106)				
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,609)	8,114	15,723	(75,314)	8,846	84,160	(550)	(613)	(63)
Fund Balances at Beginning of Year	62,468	62,468		58,454	58,454		8,356	8,356	
Prior Year Encumbrances Appropriated				18,489	18,489				
Fund Balances at End of Year	\$54,859	\$70,582	\$15,723	\$1,629	\$85,789	\$84,160	\$7,806	\$7,743	(\$63)

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2000**

	Enterprise Fund
<u>Operating Revenues:</u>	
Sales	\$143,930
<u>Operating Expenses:</u>	
Salaries	48,455
Fringe Benefits	22,327
Purchased Services	2,289
Materials and Supplies	2,030
Cost of Sales	99,866
Depreciation	2,908
Other Operating Expenses	65
Total Operating Expenses	177,940
Operating Loss	(34,010)
<u>Non-Operating Revenues (Expenses):</u>	
Federal Donated Commodities	8,473
Operating Grants	31,422
Interest	130
Loss on Disposal of Fixed Asset	(56)
Total Non-Operating Revenues (Expenses)	39,969
Income Before Operating Transfers In	5,959
Operating Transfers In	4,400
Net Income	10,359
Retained Earnings at Beginning of Year	26,433
Retained Earnings at End of Year	36,792
Contributed Capital at Beginning and End of Year	90
Total Fund Equity at End of Year	\$36,882

The notes to the financial statements are an integral part of this statement

**WAYNESFIELD LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL(NON-GAAP BUDGETARY BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2000**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Sales	\$133,900	\$144,005	\$10,105
Operating Grants	29,000	35,627	6,627
Interest	50	114	64
Total Revenues	<u>162,950</u>	<u>179,746</u>	<u>16,796</u>
<u>Expenses:</u>			
Salaries	50,750	49,209	1,541
Fringe Benefits	27,050	23,768	3,282
Purchased Services	3,208	3,097	111
Materials and Supplies	106,410	97,950	8,460
Capital Outlay	4,625	4,625	
Other Expenses	85	68	17
Total Expenses	<u>192,128</u>	<u>178,717</u>	<u>13,411</u>
Excess of Revenues Over (Under) Expenses	(29,178)	1,029	30,207
Advances In	18,500	18,500	
Advances Out	(18,500)	(15,000)	3,500
Operating Transfers In	<u>1,700</u>	<u>2,400</u>	<u>700</u>
Excess of Revenues Over (Under) Expenses, Advances, and Transfers	(27,478)	6,929	34,407
Fund Balances at Beginning of Year	24,548	24,548	
Prior Year Encumbrances Appropriated	<u>168</u>	<u>168</u>	
Fund Balances (Deficit) at End of Year	<u><u>(\$2,762)</u></u>	<u><u>\$31,645</u></u>	<u><u>\$34,407</u></u>

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2000**

Increase (Decrease) in Cash and Cash Equivalents:

Cash Flows from Operating Activities:

Cash Received from Customers	\$144,005
Cash Payments for Salaries	(49,209)
Cash Payments for Fringe Benefits	(23,768)
Cash Payments to Suppliers for Goods and Services	(88,578)
Cash Payments for Other Expenses	(68)
Net Cash Used for Operating Activities	(17,618)

Cash Flows from Non-Capital Financing Activities:

Cash Received from Operating Grants	35,627
Cash Received from Advances In	18,500
Cash Payments for Advances Out	(15,000)
Cash Received from Operating Transfers In	2,400
Net Cash Provided by Non-Capital Financing Activities	41,527

Cash Flows from Capital and Related Financing Activities:

Cash Payments for Fixed Assets	(4,593)
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Cash Flows from Investing Activities:

Cash Received from Interest	130
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Net Increase in Cash and Cash Equivalents

	19,446
Cash and Cash Equivalents at Beginning of Year	24,730
Cash and Cash Equivalents at End of Year	\$44,176

Reconciliation of Operating Loss to Net

Cash Used for Operating Activities:

Operating Loss	(\$34,010)
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Adjustments to Reconcile Operating Loss to Net

Cash Used for Operating Activities:

Donated Commodities Used During Year	8,473
Depreciation Expense	2,908
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	75
Decrease in Prepaid Items	396
Increase in Inventory Held for Resale	(1,356)
Decrease in Materials and Supplies Inventory	239
Increase in Accounts Payable	8,250
Decrease in Accrued Wages and Benefits	(1,542)
Decrease in Compensated Absences Payable	(1,354)
Increase in Intergovernmental Payable	303
Net Cash Used for Operating Activities	(\$17,618)

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Waynesfield-Goshen Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District was established in 1958 through the consolidation of existing land areas and school districts. The School District serves an area of approximately ninety-four square miles. It is located in Allen, Auglaize, and Logan Counties, and includes all of the Village of Waynesfield, and Wayne, Goshen, and parts of Union and Clay Townships. The School District is the 585th largest in the State of Ohio (among 611 school districts) in terms of enrollment. It is staffed by twenty-eight classified employees, forty-four certified teaching personnel, and three administrative employees who provide services to six hundred six students and other community members. The School District currently operates an instructional building and an administration building.

A. Reporting Entity

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

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

The School District is associated with five jointly-governed organizations and two public entity risk pools. These organizations are the Western Ohio Computer Organization (WOCO), Ohio Hi-Point Joint Vocational School, Auglaize County Local Professional Development Committee, West Central Regional Professional Development Center, West Central Ohio Special Education Regional Resource Center, Mercer Auglaize Employee Benefit Trust, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the general-purpose financial statements.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Waynesfield-Goshen Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

A. Basis of Presentation - Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

1. Governmental Fund Types:

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure 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 obligation principal, interest, and related costs.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (Continued)

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds).

2. Proprietary Fund Type:

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

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

3. Fiduciary Fund Types:

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

4. 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 a general nature, the following account groups are used:

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

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

B. Measurement Focus and Basis of Accounting

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

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

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

The Eisenhower, Drug Free, and Preschool Handicapped special revenue funds are flow-through grants in which the Auglaize County Educational Service Center is the primary recipient. Budgetary information for these funds is not included within the School District's reporting entity for which the "appropriated budget" is adopted.

1. Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit, to the Board of Education, a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates.

By no later than January 20, the Board-adopted budget is filed with the Auglaize County Budget Commission for rate determination.

2. Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates, as determined by the County Budget Commission, and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate of estimated resources issued during fiscal year 2000.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (Continued)

3. Appropriations:

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

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriation resolutions were legally enacted.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, except agency funds, consistent with statutory provisions.

4. Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental fund types and the expendable trust fund and reported in the notes to the financial statements for the enterprise funds.

5. Lapsing of Appropriations:

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

D. Cash and Investments

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments (Continued)

Cash and cash equivalents held for the School District by the Auglaize County Educational Service Center are included on the combined balance sheet as "Cash and Cash Equivalents with Fiscal Agent".

During fiscal year 2000, investments were limited to non-negotiable certificates of deposit, which are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2000 was \$106,908, which included \$15,830 assigned from other School 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 an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

F. Inventory

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

G. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by State statute to be set aside to create a reserve for budget stabilization. Restricted assets also include unexpended revenues restricted for the purchase of school buses.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of five to twenty years.

I. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund Receivables/Payables".

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service with the School District.

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as liabilities in the general long-term obligations account group to the extent that they will not be paid with current available expendable resources. Payments made more than sixty days after fiscal year end are considered not to have used current available expendable resources. Long-term loans and bonds are reported as liabilities in the general long-term obligations account group until due.

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

L. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to the enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at fiscal year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1995, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the enterprise funds have been classified as retained earnings.

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property taxes, inventories of materials and supplies, budget stabilization, bus purchase, and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures.

N. Intergovernmental Revenues

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Intergovernmental Revenues (Continued)

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

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Allocation

Non-Reimbursable Grants

Special Revenue Funds

- Teacher Development
- Education Management Information Systems
- Ohio Reads
- Safe School Helpline
- Conflict Management
- Eisenhower
- Title VI-B
- Title I
- Title VI
- Drug Free
- Preschool Handicapped
- Reducing Class Size
- Raising the Bar

Capital Projects Funds

- Disability Access
- SchoolNet Plus
- Technology Equity
- Textbook/Instructional Materials
- Emergency Building Repair

Reimbursable Grants

General Fund

- Driver Education

Special Revenue Fund

- Telecommunication

Enterprise Funds

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements amounted to approximately 63 percent of the revenues of the School District's governmental fund types during the 2000 fiscal year.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Interfund Transactions

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

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. Estimates

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

Q. Total Columns on General-Purpose Financial Statements

Total columns on the general-purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

3. ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2000, the Title I special revenue fund had a deficit fund balance of \$2,536 which was created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Uniform School Supplies enterprise fund had deficit retained earnings of \$3,816 as a result of accumulated operating losses from prior years.

B. Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2000.

Fund Type/Fund	Estimated Resources Plus Available Balances	Appropriations	Excess
Capital Projects Fund			
Disability Access	\$13,216	\$13,716	\$500
Enterprise Fund			
Uniform School Supplies	47,978	57,250	9,272

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and the expendable trust fund and as note disclosure in the enterprise funds (GAAP basis).
4. For enterprise funds, the acquisition and construction of fixed assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Although not part of the appropriated budget, the Eisenhower, Drug Free, and Preschool Handicapped special revenue funds are included as part of the reporting entity when preparing financial statements that conform with GAAP.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	Governmental Fund Types				Expendable Trust
	General	Special Revenue	Debt Service	Capital Projects	
GAAP Basis	\$385,090	(\$90,671)	\$8,015	\$83,433	(\$597)
<u>Increase (Decrease) Due To:</u>					
Revenue Accruals:					
Accrued FY 1999, Received in Cash FY 2000	183,121	766	7,134	2,288	0
Accrued FY 2000, Not Yet Received in Cash	(180,608)	(900)	(7,035)	(2,254)	(71)
Expenditure Accruals:					
Accrued FY 1999, Paid in Cash FY 2000	(327,114)	(9,745)	0	(1,095)	0
Accrued FY 2000, Not Yet Paid in Cash	335,683	9,896	0	0	0
Cash Adjustments:					
Unrecorded Activity FY 1999	5,645	0	0	185	55
Unrecorded Activity FY 2000	(10,536)	0	0	(429)	0
Prepaid Items	(2,765)	(84)	0	0	0
Advances In	87,932	0	0	0	0
Advances Out	(18,500)	0	0	(72,932)	0
Operating Transfers In	2,000	0	0	0	0
Excess of Revenues Under Expenditures for Non-Budgeted Funds					
	0	1,727	0	0	0
Encumbrances Outstanding at Year End (Budget Basis)					
	(108,958)	(3,477)	0	(350)	0
Budget Basis	<u>\$350,990</u>	<u>(\$92,488)</u>	<u>\$8,114</u>	<u>\$8,846</u>	<u>(\$613)</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

Net Income/Excess of Revenues Over Expenses, Transfers, and Advances Enterprise Funds	
GAAP Basis	\$10,359
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 1999, Received in Cash FY 2000	4,779
Accrued FY 2000, Not Yet Received in Cash	(499)
Expense Accruals:	
Accrued FY 1999, Paid in Cash FY 2000	(28,729)
Accrued FY 2000, Not Yet Paid in Cash	34,386
Cash Adjustments:	
Unrecorded Activity FY 1999	14
Unrecorded Activity FY 2000	(30)
Prepaid Items	396
Inventory Held for Resale	(1,356)
Materials and Supplies Inventory	239
Acquisition of Fixed Assets	(4,593)
Depreciation Expense	2,908
Loss on Disposal of Fixed Asset	56
Advances In	18,500
Advances Out	(15,000)
Operating Transfers Out	(2,000)
Encumbrances Outstanding at Year End (Budget Basis)	(12,501)
Budget Basis	<u><u>\$6,929</u></u>

5. DEPOSITS AND INVESTMENTS

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

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

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 or deposit accounts, including passbook accounts.

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

5. DEPOSITS AND INVESTMENTS (Continued)

At fiscal year end, the School District had \$4,044 in cash and cash equivalents held by the Auglaize County Educational Service Center which is included on the balance sheet as "Cash and Cash Equivalents with Fiscal Agent". The Educational Service Center holds this flow through grant money for the School District together with that of other school districts, and therefore, the School District cannot classify this money by risk under GASB Statement No. 3.

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

At fiscal year end, the carrying amount of the School District's deposits was \$2,081,504 and the bank balance was \$2,141,971. Of the bank balance, \$130,540 was covered by federal depository insurance and \$2,011,431 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real and public utility property tax revenues received in calendar year 2000 represent the collection of calendar year 1999 taxes. Real property taxes for 2000 were levied after April 1, 2000, on the assessed values as of January 1, 2000, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2000 were levied after April 1, 2000, on the assessed values as of December 31, 1999, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

Tangible personal property tax revenues received in calendar year 2000 (other than public utility property) represent the collection of calendar year 2000 taxes. Tangible personal property taxes for 2000 were levied after April 1, 1999, on the value as of December 31, 1999. Tangible personal property is currently assessed at 25 percent of true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

6. PROPERTY TAXES (Continued)

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$43,653 in the General Fund, \$768 in the ½ Mill Levy special revenue fund, \$7,035 in the Bond Retirement debt service fund, and \$2,254 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 1999, was \$44,382 in the General Fund, \$729 in the ½ Mill Levy special revenue fund, \$7,134 in the Bond Retirement debt service fund, and \$2,288 in the Permanent Improvement capital projects fund.

The assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$23,973,050	90.18%	\$30,822,050	91.66%
Public Utility	1,630,910	6.14	1,855,460	5.52
Tangible Personal	978,430	3.68	948,190	2.82
Total Assessed Value	<u>\$26,582,390</u>	<u>100.00%</u>	<u>\$33,625,700</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$44.81		\$42.85	

7. INCOME TAXES

The School District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 1997, and will continue for five years. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

8. RECEIVABLES

Receivables at June 30, 2000, consisted of both property and income taxes, accounts (rent, billings for user charged services, and student fees), intergovernmental, accrued interest, and interfund receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Accounts receivable at June 30 were \$702. The General Fund had an intergovernmental receivable, in the amount of \$600, for driver education, and the Athletic special revenue fund had an intergovernmental receivable, in the amount of \$98, from the Ohio High School Athletic Association.

9. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$100,466
Less Accumulated Depreciation	(60,282)
Net Fixed Assets	\$40,184

A summary of the changes in general fixed assets during fiscal year 2000 follows:

Asset Category	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
Land and Improvements	\$156,893	\$0	\$0	\$156,893
Buildings and Improvements	4,824,151	11,244	0	4,835,395
Furniture and Equipment	1,039,422	240,887	63,082	1,217,227
Text and Library Books	232,356	0	0	232,356
Vehicles	395,807	0	0	395,807
Totals	\$6,648,629	\$252,131	\$63,082	\$6,837,678

10. INTERFUND ASSETS/LIABILITIES

At June 30, 2000, the General Fund had an interfund receivable and the Uniform School Supplies enterprise fund had an interfund payable, in the amount of \$18,500.

11. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted for the following insurance coverages.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

11. RISK MANAGEMENT

Coverages provided by Utica National Insurance Group are as follows:

	Maximum Deductible	Coverage
Building and Contents - replacement cost (includes boiler and machinery)	\$500	\$11,261,671
Commercial Auto/Business Auto	250	1,000,000
Musical Instruments	100	101,969
Audio Visual Equipment/Radios	100	8,160
Computers	100 mechanical 1,000 non-mechanical	423,300
Miscellaneous Scheduled Property	250	10,000

Coverages provided by Nationwide Insurance are as follows:

	Maximum Deductible	Coverage
General Liability		
Per Occurrence	n/a	\$1,000,000
Total per Year	n/a	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

The School District participates in the Mercer Auglaize Employee Benefit Trust (the Trust), a public entity shared risk pool consisting of eleven local school districts and two educational service centers. The School District pays monthly premiums to the Trust for employee medical and dental insurance coverage. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

12. DEFINED BENEFIT PENSION PLANS

A. School Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 2000 and 1999. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contribution for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$92,443, \$86,122, and \$142,172, respectively; 83 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$15,348, is recorded as a liability within the respective funds.

B. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll; 5.5 percent was the portion used to fund pension obligations for fiscal year 2000. For fiscal year 1999, 7.7 percent was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's required contribution for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$23,939, \$30,611, and \$34,383, respectively; 42 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. The unpaid contribution for fiscal year 2000, in the amount of \$13,862, is recorded as a liability within the respective funds and the general long-term obligations account group.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System and have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2000, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid.

13. POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board 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 law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$123,258 for fiscal year 2000.

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

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

For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$52,186 for fiscal year 2000.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126,380,984, and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

14. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components is derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 200 days for certified employees, 200 days for administrative employees, and 195 days for classified employees. Upon retirement, payment is made for one-fourth of the accrued, but unused sick leave credit to a maximum of forty-six days for certified and administrative employees, and forty-seven days for classified employees.

B. Health Care Benefits

The School District provides medical and dental benefits to employees through the Mercer Auglaize Employee Benefit Trust. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District provides life insurance and accidental death and dismemberment insurance to most employees through CoreSource.

15. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Balance at 6/30/99	Additions	Reductions	Balance at 6/30/00
<u>General Obligation Bonds:</u>				
1995 School Improvement Bonds 5.85-8.25%	\$245,000	\$0	\$5,000	\$240,000
1989 School Improvement Bonds 7.125%	675,000	0	45,000	630,000
Total General Obligation Bonds	<u>920,000</u>	<u>0</u>	<u>50,000</u>	<u>870,000</u>
<u>Other Long-Term Obligations:</u>				
1992 Asbestos Removal Loan	15,957	0	5,000	10,957
Compensated Absences Payable	195,777	27,001	0	222,778
Intergovernmental Payable	27,830	30,768	27,830	30,768
Total Other Long-Term Obligations	<u>239,564</u>	<u>57,769</u>	<u>32,830</u>	<u>264,503</u>
Total General Long-Term Obligations	<u><u>\$1,159,564</u></u>	<u><u>\$57,769</u></u>	<u><u>\$82,830</u></u>	<u><u>\$1,134,503</u></u>

1995 School Improvement Bonds - On March 1, 1995, the School District issued \$260,000 in voted general obligation bonds for a building addition. The bonds were issued for a twenty-four year period, with final maturity in fiscal year 2019. The bonds are being retired through the Bond Retirement debt service fund.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

15. LONG-TERM OBLIGATIONS (Continued)

1989 School Improvement Bonds - On September 1, 1989, the School District issued \$1,033,000 in voted general obligation bonds for classroom additions. The bonds were issued for a twenty-three year period, with final maturity in fiscal year 2013. The bonds are being retired through the Bond Retirement debt service fund.

1992 Asbestos Removal Loan - In fiscal year 1992, the School District obtained an interest free loan, in the amount of \$53,457, for asbestos removal. The loan was issued for a ten-year period with final maturity in fiscal year 2002. The loan is being retired through the Bond Retirement debt service fund.

1996 School Facilities Loan - In fiscal year 1996, the School District received \$2,309,966 for construction and improvements to its facilities under the State's "Classroom Facilities Program." Under this program the School District entered into an agreement with the State of Ohio in which the State initially paid for a portion of the estimated project costs. Generally, the School District repays the State for its contribution by levying an additional property tax of one-half mill for a twenty-three year period.

The School District was notified by the Ohio School Facilities Commission that they would not be responsible for repaying the \$2,309,966 to the State because the School District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil. In lieu of the repayment, the School District must set aside the funds that would have been used for repaying to the State for facilities maintenance. As part of the process, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires.

If the School District's adjusted valuation per pupil increases above the state-wide median adjusted valuation during the twenty-three year period, the School District may become responsible for repayment of a portion of the State's contribution. Based on the School District's adjusted valuation relative to the state-wide median adjusted valuation, this possibility appears remote.

Compensated absences and intergovernmental payables, representing the School District's contractually required pension contributions, will be paid from the fund from which the employees' salaries are paid.

Principal and interest requirements to retire general long-term obligations at June 30, 2000, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds	Asbestos Loan	Total
2001	\$108,903	\$5,000	\$113,903
2002	105,285	5,000	110,285
2003	106,461	957	107,418
2004	102,430	0	102,430
2005	103,220	0	103,220
2006-2010	452,168	0	452,168
2011-2015	276,226	0	276,226
2016-2019	84,919	0	84,919
Total	<u>\$1,339,612</u>	<u>\$10,957</u>	<u>\$1,350,569</u>

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

15. LONG-TERM OBLIGATIONS (Continued)

The School District's overall debt margin was \$2,233,930, with an unvoted debt margin of \$33,626 at June 30, 2000.

16. RESERVATIONS OF FUND BALANCE

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the purchase of textbooks and other instructional materials, and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the School District is required to set aside money for budget stabilization.

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2000.

	Textbooks	Capital Improvement	Budget Stabilization
Balance June 30, 1999	\$0	\$0	\$37,553
Current Year Set Aside Requirement	73,457	73,457	8,833
Qualifying Expenditures	(83,534)	(126,182)	0
Balance Carried Forward to Fiscal Year 2001	<u>(\$10,077)</u>	<u>(\$52,725)</u>	<u>\$46,386</u>
Reserve Balance June 30, 2000	<u>\$0</u>	<u>\$0</u>	<u>\$46,386</u>

The School District had qualifying expenditures during the year that reduced the textbooks and capital improvements set aside amounts below zero; however, the School District has chosen not to use these amounts to reduce the set aside requirement of future years. The total reserve balance for the set asides at the end of the fiscal year was \$46,386.

17. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Waynesfield-Goshen Local School District as of and for the fiscal year ended June 30, 2000.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

17. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$125,304	\$18,626	\$143,930
Depreciation Expense	2,908	0	2,908
Operating Loss	(27,023)	(6,987)	(34,010)
Federal Donated Commodities	8,473	0	8,473
Operating Grants	31,422	0	31,422
Fixed Asset Additions	4,593	0	4,593
Fixed Asset Disposals	513	0	513
Operating Transfers In	3,400	1,000	4,400

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Net Income (Loss)	\$16,347	(\$5,988)	\$10,359
Net Working Capital	7,778	(3,815)	3,963
Total Assets	68,491	22,934	91,425
Total Equity	40,697	(3,815)	36,882
Encumbrances Outstanding (Budget Basis) at Year End	809	11,692	12,501

18. JOINTLY GOVERNED ORGANIZATIONS

A. Western Ohio Computer Organization

The School District is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, and Shelby Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of WOCO consists of two representatives from each county elected by majority vote of all charter member school districts within each county. Financial information can be obtained from Sonny Ivey, who serves as Director, 129 East Court Street, Sidney, Ohio 45365.

B. Ohio Hi-Point Joint Vocational School

The Ohio Hi-Point Joint Vocational School (JVS) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The JVS is operated under the direction of a Board consisting of one representative from each of the eleven participating school districts' elected boards. The degree of control exercised by the School District is limited to its representation on the Board. The Board possesses its own budgeting and taxing authority. Financial information can be obtained from the Ohio Hi-Point Joint Vocational School, Eric Adelsberger, who serves as Treasurer, 2280 State Route 540, Bellefontaine, Ohio 43311.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

18. JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Auglaize County Local Professional Development Committee

The Auglaize County Local Professional Development Committee (LPDC) was established to plan, promote, and facilitate effective and efficient professional educator license renewal standards and staff development activities. The LPDC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its members. The degree of control exercised by any participating school district is limited to its representation on the governing board. Financial information can be obtained from the Auglaize County Educational Service Center, who serves as fiscal agent, 1045 Dearbaugh Street, Wapakoneta, Ohio 45895.

D. West Central Regional Professional Development Center

The West Central Regional Professional Development Center (the Center) is a jointly-governed organization among the school districts in Allen, Auglaize, Hancock, Hardin, Mercer, Paulding, Putnam, and Van Wert Counties. The organization was formed to establish an articulated regional structure for professional development in which school districts, the business community, higher education, and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improvements in instructional programs.

The Center is governed by a fifty-two member board made up representatives from the participating school districts, the business community, and two institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Brad Browne, Hancock County Educational Service Center, 7746 County Road 140, Findlay, Ohio 45840.

E. West Central Ohio Special Education Regional Resource Center

The West Central Ohio Special Education Regional Resource Center (SERRC) is a jointly-governed organization formed to initiate, expand, and improve special education programs and services for children with disabilities and their parents. The SERRC is governed by a fifty-two member board consisting of the superintendent of the fifty participating school districts, one representative from a non-public school, and one representative from Wright State University. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Krista Hart, Hardin County Educational Service Center, 1 Court House Square, Suite 50, Kenton, Ohio 43326-2385.

19. PUBLIC ENTITY RISK POOLS

A. Mercer Auglaize Employee Benefit Trust

The Mercer Auglaize Employee Benefit Trust (the Trust) is a public entity shared risk pool consisting of eleven local school districts and two educational service centers. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision benefits to the employees of the participants. Each participant's superintendent is appointed to an Administrative Committee, which advises the Trustee, Ohio Bank, concerning aspects of the administration of the Trust.

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

19. PUBLIC ENTITY RISK POOLS (Continued)

A. Mercer Auglaize Employee Benefit Trust (Continued)

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Jim Mauntler; Schmidt, Long, and Associates, Inc.; 4159 Holland-Sylvania Road, Suite 103, Toledo, Ohio 43623.

B. Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for worker's compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), was established through the Ohio School Boards Association (OSBA) as 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 OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the GRP. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

20. STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's Legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "School Foundation Program", which provides significant monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$1,876,327 of school foundation support for its General Fund.

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

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

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

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

21. CONTINGENT LIABILITIES

A. Grants

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

B. Litigation

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

**WAYNESFIELD - GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	0	9,926	0	10,311
National School Lunch Program	04-PU	10.555	34,179	0	34,179	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>34,179</u>	<u>9,926</u>	<u>34,179</u>	<u>10,311</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title I, Part A, ESEA	C1-S1 99 C1-S1 00	84.010	1,073 <u>40,104</u>	0 <u>0</u>	5,855 <u>36,186</u>	0 <u>0</u>
Total Title I			<u>41,177</u>	<u>0</u>	<u>42,041</u>	<u>0</u>
Innovative Educational Program Strategies	C2-S1 99 C2-S1 00	84.298	361 <u>2,915</u>	0 <u>0</u>	807 <u>2,914</u>	0 <u>0</u>
Total Innovative Educational Program Strategies			<u>3,276</u>	<u>0</u>	<u>3,721</u>	<u>0</u>
Special Education Grants to States	6B-SF 99 6B-SF 00	84.027	3,493 <u>40,421</u>	0 <u>0</u>	12,604 <u>29,245</u>	0 <u>0</u>
Total Special Education Grants to States			<u>43,914</u>	<u>0</u>	<u>41,849</u>	<u>0</u>
Technology Literacy Challenge Fund Grants	TF-S1	84.318	225,000	0	312,500	0
Class Size Reduction	CR-S1	84.340	4,522	0	4,522	0
Total Department of Education			<u>317,889</u>	<u>0</u>	<u>404,633</u>	<u>0</u>
Total Federal Financial Assistance			<u>\$352,068</u>	<u>\$9,926</u>	<u>\$438,812</u>	<u>\$10,311</u>

The accompanying notes to this schedule are an integral part of this schedule.

**WAYNESFIELD- GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2000**

NOTE A-SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Government's federal award programs. The schedule has been prepared on the cash basis of accounting. Revenues are recognized when received rather than when earned, and expenditures are recorded when paid rather than when the obligation is incurred.

NOTE B-NUTRITION CLUSTER

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

NOTE C-FEDERAL AWARDS EXPENDITURES ADMINISTERED BY OTHER GOVERNMENTS

The District benefitted from other federal award expenditure programs which were passed through the State Department of Education to the Auglaize County Educational Service Center. These programs are administered by the Auglaize County Educational Service Center and are audited according to the Single Audit Act (A-133) at that level. The financial activity of these federal award expenditures programs is not reflected in the accompanying schedule of Federal Award Expenditures.

FEDERAL GRANTOR/ Pass Through Grantor/ Program Titles	Federal CFDA Number	Project Number	Amount of Allotment
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Ohio Department of Education - to Auglaize County Educational Service Center			
Eisenhower Professional Development State Grants	84.281	MS-S1	\$2,687
Safe and Drug Free Schools	84.186	DR-S1	4,223
Early Childhood Preschool Handicapped Grants	84.173	PG-S1	5,015



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

Waynesfield-Goshen Local School
Auglaize County
500 N. Westminster Street
Waynesfield, OH 45896

To the Board of Education:

We have audited the financial statements of Waynesfield-Goshen Local School District, Auglaize County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated November 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we have noted certain immaterial instances of non-compliance that we have reported to management of the District in a separate letter dated November 28, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 28, 2000.

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

Jim Petro
Auditor of State

November 28, 2000

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

Waynesfield-Goshen Local School District
Auglaize County
500 N. Westminster Street
Waynesfield, OH 45896

To the Board of Education:

Compliance

We have audited the compliance of Waynesfield-Goshen Local School District, Auglaize County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The 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 the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000. However, we noted an instance of non-compliance that we have reported to management of the District in a separate letter dated November 28, 2000.

Internal Control Over Compliance

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

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

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

Jim Petro
Auditor of State

November 28, 2000

**WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT
AUGLAIZE COUNTY**

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

JUNE 30, 2000

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



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WAYNESFIELD-GOSHEN LOCAL SCHOOL DISTRICT

AUGLAIZE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 21, 2000**