

**NORTHWOOD LOCAL SCHOOL DISTRICT  
WOOD COUNTY**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2000**



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

JIM PETRO, AUDITOR OF STATE

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Northwood Local School District  
600 Lemoyne Road  
Northwood, Ohio 43619

We have reviewed the Independent Auditor's Report of the Northwood Local School District, Wood County, prepared by Weber O'Brien LTD, for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

JIM PETRO  
Auditor of State

February 15, 2001

**NORTHWOOD LOCAL SCHOOL DISTRICT  
WOOD COUNTY  
June 30, 2000**

**TABLE OF CONTENTS**

Elected Officials and Administrative Personnel	(i)
Index of Funds and Account Groups	(ii)
Independent Auditors' Report	
Combined Balance Sheet	2
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Similar Trust Funds	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – All Governmental Fund Types and Similar Trust Funds	4
Combined Statement of Revenues, Expenses, and Changes in Fund Equity – All Proprietary Fund Types and Non-Expendable Trust Funds	5
Combined Statement of Cash Flows – All Proprietary Fund Types and Non-Expendable Trust Funds	6
Notes to Combined Financial Statements	7
Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	26

**NORTHWOOD LOCAL SCHOOL DISTRICT  
WOOD COUNTY**

**600 Lemoyne Road  
Northwood, Ohio 43619**

ELECTED OFFICIALS AND ADMINISTRATIVE PERSONNEL  
AS OF JUNE 30, 2000

<u>TITLE Name</u>	<u>Term of Office or Contract Period</u>	<u>Surety Amount</u>	<u>Period</u>
<b>BOARD OF EDUCATION</b>			
President Randy Kozina	1/1/00 – 12/31/2003	(A) \$20,000	1/1/00 – 1/1/2004
Vice President Mel Smith	1/1/98 – 12/31/2001		
Members: Dennis Bohland Denise Niese Virgil Bryan	1/1/98 – 12/31/2001 1/1/00 – 12/31/2003 1/1/98 – 12/31/2001		
<b>LEGAL COUNSEL</b>			
Wood County Prosecuting Attorney:  Alan Mayberry One Courthouse Square Bowling Green, Ohio 43402			
<b>TREASURER</b>			
Ruth Destatte	1/1/99 to Organizational Meeting 2003	(B) \$20,000	1/1/99 to Organizational Meeting 2003
<b>SUPERINTENDENT</b>			
Ronald W. Matter	1/1/99 – 7/31/2001	(A) \$20,000	1/1/00 – 7/31/2001

(A) The Ohio Casualty Insurance Company

(B) Nationwide Mutual Insurance Company

**NORTHWOOD LOCAL SCHOOL DISTRICT  
WOOD COUNTY**

INDEX OF FUNDS AND ACCOUNT GROUPS

GOVERNMENTAL FUND TYPE:

General Fund Type:

General Fund  
General Fund - School Bus Purchase

Special Revenue Fund Type:

Public School Support Fund  
District Managed Student Activity Fund  
Teacher Development Fund  
Early Childhood Education Fund  
Data Communications for School Building Fund  
School Net Professional Development Fund  
Educational Management Information Systems Fund  
Textbook and Instructional Materials Fund  
Title I - Education Consolidation and Improvement Act Fund  
Title VI - Education Consolidation and Improvement Act Fund  
Telecommunications - E-Rate Fund  
Miscellaneous State Grant Fund  
Miscellaneous Federal Grant Funds  
Other Grant

Debt Service Fund Type:

Bond Retirement Fund

Capital Projects Fund Type:

Building Fund  
SchoolNet Fund

PROPRIETARY FUND TYPE:

Enterprise Fund Type:

Food Service Fund  
Uniform School Supply Fund  
Special Enterprises Fund

FIDUCIARY FUND TYPE:

Trust and Agency Fund Types:

Expendable Trust Fund:

Special Trust Funds

Nonexpendable Trust Fund:

High School Student Council Scholarship Fund

Agency Fund:

Student Managed Activity Funds

ACCOUNT GROUPS

General Fixed Asset Account Group

General Long-Term Obligations Account Group



## INDEPENDENT AUDITORS' REPORT

Board of Education  
Northwood Local School District  
600 Lemoyne Street  
Northwood, Ohio 43619

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Northwood Local School District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds 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 January 24, 2001 on our consideration of the Northwood Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Weber • O'Brien, Ltd.*

January 24, 2001

Northwood Local School District - Wood County  
Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2000

	Governmental Fund Types			Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Debt Service			Capital Projects	Enterprise	
<b>ASSETS AND OTHER DEBITS</b>								
<b>Assets:</b>								
Equity in Pooled Cash and Cash Equivalents	\$574,674	\$126,065	\$108,725	\$292,405	\$32,647	\$46,987		\$1,181,503
Receivables:								
Taxes	4,260,492		159,869	219,681				4,640,042
Accounts	2,173							2,173
Intergovernmental	356,540		15,504	20,092				392,136
Materials and Supplies Inventory	22,020							24,568
Restricted Assets:					2,548			
Equity in Pooled Cash and Cash Equivalents	94,584				105,106		\$8,226,708	94,584
Fixed Assets					(69,477)			8,331,814
Accumulated Depreciation								(59,477)
<b>Other Debits:</b>								
Amount Available in Debt Service Fund							\$108,725	108,725
Amount to be Provided for Retirement of General Long-Term Debt							3,429,713	3,429,713
<b>Total Assets and Other Debits</b>	<b>\$5,310,483</b>	<b>\$126,065</b>	<b>\$284,098</b>	<b>\$532,176</b>	<b>\$80,824</b>	<b>\$46,987</b>	<b>\$8,226,708</b>	<b>\$18,145,781</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>								
<b>Liabilities:</b>								
Accounts Payable	\$10,281	\$332			\$22,566			\$33,361
Accrued Wages and Benefits	757,448	12,867			14,874	\$182		785,209
Compensated Absences Payable	4,497				4,776		\$597,269	606,542
Intergovernmental Payable	106,637				15,392		54,382	176,668
Deferred Revenue	4,330,895	257	\$162,821	\$223,792	141			4,717,649
Due to Students						20,053		20,053
Notes Payable							335,000	335,000
Capital Leases Payable							65,787	65,787
Energy Conservation Loan Payable							381,000	381,000
General Obligation Bonds Payable							2,105,000	2,105,000
<b>Total Liabilities</b>	<b>5,209,758</b>	<b>13,476</b>	<b>162,821</b>	<b>223,792</b>	<b>57,749</b>	<b>20,235</b>	<b>3,538,438</b>	<b>9,226,269</b>
<b>Fund Equity and Other Credits:</b>								
Investment in General Fixed Assets					103,884		\$8,226,708	8,226,708
Contributed Capital								103,884
Retained Earnings:								
Unreserved					(80,809)			(80,809)
Fund Balances:								
Reserved:								
Reserved for Encumbrances	262,672	7,007		165,628		2,000		437,307
Reserved for Inventory	22,020							22,020
Reserved for Contributions								
Reserved for Property Taxes	286,137		12,552	15,981		17,838		314,670
Reserved for Budget Stabilization	94,584							94,584
Unreserved:								
Unreserved, Undesignated	(664,688)	105,582	108,725	126,777		6,914		(216,690)
Total Fund Equity and Other Credits	100,725	112,589	121,277	306,386	23,075	26,752	8,226,708	8,919,512
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$5,310,483</b>	<b>\$126,065</b>	<b>\$284,098</b>	<b>\$532,176</b>	<b>\$80,824</b>	<b>\$46,987</b>	<b>\$8,226,708</b>	<b>\$18,145,781</b>

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

**Northwood Local School District - Wood County**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Similar Trust Funds**  
**For the Year Ended June 30, 2000**

	Governmental Fund Types		Governmental Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
Intergovernmental	\$2,539,649	\$165,573	(\$335)	\$10,018		\$2,714,905
Interest	71,318			13,438	\$137	84,893
Tuition and Fees	6,109	2,154				8,263
Rent	5,905					5,905
Extracurricular Activities		122,552				122,552
Gifts and Donations	88,342	1,735			2,887	92,964
Property & Other Local Taxes	4,339,240		200,239	108,828		4,648,307
Miscellaneous	183,190	9,725				192,915
<b>Total Revenues</b>	<u>7,233,753</u>	<u>301,739</u>	<u>199,904</u>	<u>132,284</u>	<u>3,024</u>	<u>7,870,704</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	3,445,787	98,632		340		3,544,759
Special	341,072	67,135				408,207
Vocational	35,349					35,349
Other	67,500					67,500
Support services:						
Pupils	393,361	8,457				401,818
Instructional Staff	531,892	16,293				548,185
Board of Education	17,928					17,928
Administration	641,440	2,061				643,501
Fiscal	256,884	275	1,776	1,134		260,069
Operation and Maintenance of Plant	693,531					693,531
Pupil Transportation	276,046					276,046
Central		2,957				2,957
Non-Instructional Services	276				2,400	2,676
Extracurricular activities	174,087	64,998				239,085
Capital Outlay	172,434			146,836		319,270
Debt Service						
Debt Service - Principal	34,195		142,500			176,695
Debt Service - Interest	7,783		149,750			157,533
<b>Total Expenditures</b>	<u>7,089,565</u>	<u>260,808</u>	<u>294,026</u>	<u>148,310</u>	<u>2,400</u>	<u>7,795,109</u>
Excess of Revenues Over (Under) Expenditures	<u>144,188</u>	<u>40,931</u>	<u>(94,122)</u>	<u>(16,026)</u>	<u>624</u>	<u>75,595</u>
<b>Other Financing Sources and Uses</b>						
Operating Transfers In			76,720			76,720
Proceeds from Sale of Bonds	350,000					350,000
Proceeds from Sale of Long-Term Notes				335,000		335,000
Refund of Prior Year Expenditures	3,597					3,597
Operating Transfers Out	(102,198)			(10,943)		(113,141)
<b>Total Other Financing Sources (Uses)</b>	<u>251,399</u>		<u>76,720</u>	<u>324,057</u>		<u>652,176</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	395,587	40,931	(17,402)	308,031	624	727,771
Fund Balance at Beginning of Year, Restated	(294,862)	71,658	138,679	355	6,703	(77,467)
<b>Fund Balance at End of Year</b>	<u>\$100,725</u>	<u>\$112,589</u>	<u>\$121,277</u>	<u>\$308,386</u>	<u>\$7,327</u>	<u>\$650,304</u>

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



**Northwood Local School District - Wood County**  
**Combined Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis)**  
**All Governmental Funds and Fiduciary Trust Funds**  
**For the Year Ended June 30, 2000**

	Governmental Fund Types				Governmental Fund Types				Fiduciary Trust Fund				Totals (Memorandum Only)			
	General				Special Revenue				Debt Service				Capital Projects			
	Budget	Actual	Variance		Budget	Actual	Variance		Budget	Actual	Variance		Budget	Actual	Variance	
<b>Revenues:</b>																
Governmental	\$2,911,484	\$3,881,857	\$970,373	\$165,573	\$165,573	\$165,573	\$0	\$10,002	\$10,002	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	54,000	17,318	(36,682)	4,000	4,000	(3,184)										
Tuition and Fees	9,600	8,672	(928)													
Grants	6,200	4,956	(1,244)													
Extracurricular Activities	55,000	88,342	33,342	2,250	2,250	(815)										
Gifts and Donations	4,000	4,000														
Gifts & Other Local Taxes	588,107	183,388	(404,719)	12,660	12,660	(2,855)		91,636	92,847	1,211						
Miscellaneous	7,399,245	7,291,144	(108,101)	297,048	297,048	(4,891)		101,657	116,203	14,546						
<b>Total Revenues</b>																
	3,609,208	3,483,113	(126,095)	125,147	125,147	(2,482)		385	385	340	15					
<b>Expenditures:</b>																
Instruction	353,131	348,519	(4,612)	79,075	79,075	14,344										
Special	38,453	38,017	(436)													
Vocational	74,674	74,674														
Support services:																
Pupil	481,548	392,674	(88,874)	8,600	8,600	143										
Pupil Services - Staff	529,200	497,200	(32,000)	17,763	17,763	386										
Board of Education	22,801	20,775	(2,026)													
Administration	691,801	674,588	(17,213)	2,078	2,078	2,061	18	4,100	4,100	1,134	866					
Fiscal	160,612	160,612		3,085	3,085											
Pupil Transportation	272,882	274,427	1,545	275	275											
Pupil Transportation and Maintenance of Plant	600	276,969	276,369	3,183	3,183	2,957	226									
Central Instructional Services	197,301	176,872	(20,428)	88,670	88,670	68,334	20,336	423,940	372,464	51,476	111,076					
Capital Outlay	351,600	346,801	(4,799)													
Debt Service - Principal	118,000	118,000														
Debt Service - Interest	3,000	2,715	(285)													
Excess of Revenues Over (Under) Expenditures	1,084,248	1,176,803	92,555	127,743	127,743	62,438	2,324	(324,203)	(324,203)	372,464	111,076					
<b>Other Financing Source and Uses</b>																
Proceeds from Sale of Bonds	118,000	118,000														
Proceeds from Sale of Assets	15,834	15,834														
Refund of Prior Year Expenditures	(102,198)	(102,198)														
Operating Transfers Out	380,236	380,236														
Transfers In	205,888	192,086	(13,802)													
Excess of Revenues and Other Financing Source Over (Under) Expenditures and Other Financing Uses	166,280	166,280														
Fund Balances at Beginning of Year	\$472,537	\$309,172	(163,365)													
Fund Balances at End of Year																
	\$113,221	\$148,142	\$34,921													
<b>Fund Balances at End of Year</b>																
	\$113,221	\$148,142	\$34,921													

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

**Northwood Local School District - Wood County  
 Combined Statement of Revenues, Expenses  
 and Changes in Fund Equity  
 All Proprietary Fund Types and Non-Expendable Trust Funds  
 For the Year Ended June 30, 2000**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Non-Expendable Trust	
<b>Operating Revenues:</b>			
Sales	\$183,640		\$183,640
Interest		\$766	766
Other Revenues	5,000	2,421	7,421
Total Operating Revenues	<u>188,640</u>	<u>3,187</u>	<u>191,827</u>
<b>Operating Expenses</b>			
Salaries	86,357		86,357
Fringe Benefits	35,542		35,542
Purchased Services	59,961		59,961
Materials and Supplies	159,750		159,750
Depreciation	3,866		3,866
Other	454	1,600	2,054
Total Operating Expenses	<u>345,930</u>	<u>1,600</u>	<u>347,530</u>
Operating Income (Loss)	(157,290)	1,587	(155,703)
<b>Non-Operating Revenues and Expenses</b>			
Federal Donated Commodities	19,084		19,084
Interest	242		242
Federal and State Subsidies	69,535		69,535
Other	9,219		9,219
Total Non-Operating Revenues and Expenses	<u>98,080</u>		<u>98,080</u>
Income (Loss) Before Operating Transfers	(59,210)	1,587	(57,623)
Operating Transfers-In	36,421		36,421
Net Income (Loss)	(22,789)	1,587	(21,202)
Retained Earnings/Fund Balances at Beginning of Year	(58,020)	17,838	(40,182)
Retained Earnings/Fund Balances at End of Year	(80,809)	19,425	(61,384)
Contributed Capital at Beginning of Year	103,884		103,884
Contributed Capital at End of Year	103,884		103,884
Total Fund Equity at End of Year	<u>\$23,075</u>	<u>\$19,425</u>	<u>\$42,500</u>

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

**Northwood Local School District - Wood County**  
**Combined Statement of Cash Flow**  
**All Proprietary Fund Types and Non-Expendable Trust Funds**  
**For the Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
Cash Flows from Operating Activities:			
Cash Received from Sales	\$193,725		\$193,725
Other Cash Receipts	5,000	\$2,421	7,421
Cash Payments to Suppliers for Goods and Service	(133,725)		(133,725)
Cash Payments for Contract Services	(61,961)		(61,961)
Cash Payments for Employee Services	(76,408)		(76,408)
Cash Payments for Employee Benefits	(22,703)		(22,703)
Other Cash Payments	(454)	(1,600)	(2,054)
Net Cash Provided (Used) by Operating Activities	<u>(96,526)</u>	<u>821</u>	<u>(95,705)</u>
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	69,535		69,535
Other	9,219		9,219
Transfers In	36,421		36,421
Net Cash Provided (Used) by Noncapital Financing Activities	<u>115,175</u>		<u>115,175</u>
Cash Flows from Investing Activities:			
Interest Received	242	766	1,008
Net Cash Provided (Used) by Investing Activities	<u>242</u>	<u>766</u>	<u>1,008</u>
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(1,762)		(1,762)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,762)</u>		<u>(1,762)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	17,129	1,587	18,716
Cash and Cash Equivalents at Beginning of Year	15,518	17,838	33,356
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$32,647</u></u>	<u><u>\$19,425</u></u>	<u><u>\$52,072</u></u>

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	(\$157,290)	\$1,587	(\$155,703)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided (Used) by Operating Activities:			
Depreciation	3,866		3,866
Donated Commodities Used During the Year	19,084		19,084
Adjustments to Capital Outlay	540		540
Nonexpendable Trust Interest		(766)	(766)
(Increase) Decrease in Assets:			
Accounts Receivable	10,085		10,085
Material and Supplies Inventory	922		922
Increase (Decrease) in Liabilities:			
Accounts Payable	6,057		6,057
Compensated Absences Payable	1,356		1,356
Intergovernmental Payable	15,392		15,392
Deferred Revenue	(2,579)		(2,579)
Accrued Wages and Benefits	6,041		6,041
Total Adjustments	<u>(96,526)</u>	<u>\$821</u>	<u>(95,705)</u>

**Net Cash Provided (Used) by Operating Activities**

Reconciliation of Nonexpendable Trust Fund Cash Balance as of June 30, 2000:		
Cash and Cash Equivalents — Trust and Agency Funds		\$46,987
Less: Expendable Trust Funds		(7,327)
Less: Agency Funds		<u>(20,235)</u>
Cash and Cash Equivalents — Nonexpendable Trust Funds		<u><u>\$19,425</u></u>

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

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The School District was established in 1846 through the consolidation of existing land areas and school districts and is organized under Section 2 and 3, Article VI of the Constitution of the state of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the school district is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms to provide educational services as mandated by state and/or federal agencies.

The Board controls the District's four (4) instructional/support facilities staffed by 45 non-certificated employees, 69 certificated full time teaching personnel and 6 administrative employees to provide services to approximately 1,070 students and other community members. It currently operates two (2) elementary schools (K through 5), one (1) middle school (6 through 8), and one (1) comprehensive high school (9 through 12). The School District serves an area of approximately 7 square miles and is located in northern Wood County. The School District is the 488th largest in the state of Ohio (among 611 school districts) in terms of enrollment and the 8th largest in Wood County.

*Reporting Entity:*

The District's combined financial statements have been prepared in conformity with accounting principles established by the Government Accounting Standards Board (GASB) that define the reporting entity as the primary government as well as its component units, which are legally accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial burden on the primary government. Based on these criteria the District reports no component units.

The District is associated with four organizations which are defined as jointly governed organizations or insurance purchasing pools. These organizations include the Penta County Joint Vocational School, Northern Ohio Educational Computer Association, Wood County Insurance Consortium, and Ohio School Board Association Worker's Compensation Group Rating Plan. Information about these organizations is presented in Notes 16 and 17 to the general purpose financial statements.

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

The accompanying financial statements of the District are prepared in conformity with generally accepted accounting principles (GAAP) for local government units as prescribed in statements and interpretations issued by the GASB and other recognized authoritative sources. The District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements.

**A. Basis of Presentation – Fund Accounting**

The District's accounts are organized on the basis of funds or account groups, each of which is considered a separate accounting entity with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are summarized by type in the general purpose financial statements. Amounts in the "Totals (Memorandum Only)" columns of the financial statements represent a summation of the combined financial statement line items of the fund types and account groups. These amounts are presented for analytical purposes only. The summation includes fund types and account groups that use a different basis of accounting, both restricted and unrestricted amounts, and the caption "Amount to be Provided," which is not an asset in the usual sense. Inter-fund transactions have not been eliminated. Consequently, amounts shown in the "Totals (Memorandum Only)" columns are not comparable to consolidation and do not represent the total resources/revenues or expenditures/expenses of the District.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

*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 District's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's Governmental Fund Types:

*General Fund* - The General Fund is the general 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.

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

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

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

*Proprietary Fund Types:*

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

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

*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. These include Expendable Trust, Non-Expendable Trust and Agency Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

*Account Groups:*

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

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

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

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

**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 funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The School District has reflected prior years' contributed capital.

The modified accrual basis of accounting is followed for Governmental, and Expendable Trust Funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the School District is sixty days after the June 30 year end. That portion of taxes collected and available for advance as of June 30 is considered as revenue of the current period. Current property taxes measurable, but not available as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) were recognized as revenue.

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

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exceptions: general long term obligation principal and interest are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by creditors or employees.

The Proprietary and Non-Expendable Trust Funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**C. Budgetary Process**

The School District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2000 is as follows.

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Wood County Budget Commission for tax rate determination.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

3. Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the School District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2000.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. 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.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. The notable increase in Special Revenue funds results primarily from new grant awards at the state and federal level. All supplemental appropriations were legally enacted by the board during fiscal 2000.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

*Encumbrances:*

Encumbrance accounting is utilized with School District funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types encumbrances outstanding at year end appear as a reserve to the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. If the actual expenditures are less than the amount encumbered, the excess reserve is closed to the unreserved fund balance.

**D. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. During fiscal year 2000, investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and repurchase agreements. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

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 amounted to \$71,318, which includes \$28,158 assigned from other School District funds.

The School District has segregated bank accounts for monies held separate from the School District's central bank account. These interest bearing depository accounts are included on the combined balance sheet as "equity in pooled cash and cash equivalents", but they are not required to be deposited into the School District treasury.

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

**E. Inventory**

Inventories are valued at cost on a first in first out basis, and are determined by physical count. Inventories consist of expendable supplies held for consumption. In Governmental Funds the cost is recorded as an expenditure at the time individual inventory items are purchased rather than consumed; however, material amounts of inventories at period end are reported as assets of the respective fund, which are equally offset by a fund balance reserve which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventories of Proprietary Funds are expensed when used rather than when purchased.

**F. 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.

**G. Fixed Assets and Depreciation**

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The School District follows the policy of not capitalizing assets with a cost of less than \$500 and a useful life of less than five years. No depreciation is recognized for assets in the General Fixed Assets Account Group. The School District has not included infrastructure in the General Fixed Asset Account Group. Interest on debt issued to construct general fixed assets is not capitalized in the Account Group.



**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

<u>Asset</u>	<u>Life (Years)</u>
Buildings & Improvements	30-50
Furniture, Fixtures and Minor Equipment	5-20
Vehicles	4-10

**H. Intergovernmental Revenues**

In governmental funds, entitlement and non-reimbursable grants are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for proprietary fund operations are recognized as revenue when measurable and earned. The School District currently participates in various state and federal programs.

**I. Compensated Absences**

Vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the respective governmental fund. Amounts of vested and accumulated vacation and sick leave which are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligation Account Group.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

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

**J. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, 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. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

**K. 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 statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**L. 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 encumbrances, inventories of supplies and materials, property taxes, budget stabilization, and endowments.

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 money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for endowments signifies the legal restrictions on the use of principal.

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

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

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
Budget Basis	\$192,066	\$34,874	(\$9,880)	\$126,422	(\$1,376)
Net Adjustment for:					
Revenue Accruals	(57,391)		(7,522)	15,981	
Expenditure Accruals	107,659	(1,281)			
Other Sources/Uses	(117,530)				
Encumbrances	270,783	7,338		165,628	2,000
GAAP Basis	<u>\$395,587</u>	<u>\$40,931</u>	<u>(\$17,402)</u>	<u>\$308,031</u>	<u>\$ 624</u>

**NOTE 4 - CASH AND CASH EQUIVALENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including 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 Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

*Cash on Hand:* At year end, the School District had \$115 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents."

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

*Deposits:* At year end, the carrying amount of the School District's deposits was \$224,162 and the bank balance was \$292,592. Of the bank balance, \$114,335 was covered by federal depository insurance. The uninsured bank balance was secured by collateralized pools securing all public funds on deposit with specific financial institutions.

*Investments:* The School District's investments are categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

<u>Investments</u>	<u>Category 3</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreements	\$142,647	\$142,647	\$142,647
Investments in the State Treasurer's Investment Pool		909,163	909,163
<b>Total Investments</b>	<b>\$142,647</b>	<b>\$1,051,810</b>	<b>\$1,051,810</b>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$1,276,087	
Investments of the Cash Management Pool:		
Repurchase Agreement	(142,647)	\$142,647
State Treasurer's Investment Pool	(909,163)	909,163
Cash on Hand	(115)	
<b>GASB Statement 3</b>	<b>\$224,162</b>	<b>\$1,051,810</b>

**NOTE 5 - PROPERTY TAXES**

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

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

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at 100% of market value except for the personal property of rural electric companies which is assessed 50% of market and railroads which are assessed at 25%.

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed value upon which the 2000 taxes were collected was \$116,662,235. Agricultural/Residential and public utility real estate represented 48% (\$55,658,870) of this total. Commercial & Industrial real estate represented 29% (\$33,492,500), public utility tangible 5% (\$6,194,590), and general tangible property 18% (\$21,316,275). The voted general tax rate for operations at the fiscal year ended June 30, 2000, was \$64.90 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20.

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

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) 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 \$314,670 and is recognized as revenue. \$286,137 was available to the general fund, \$12,552 was available to the debt service fund, and \$15,981 was available to the capital projects fund.

**NOTE 6 - RECEIVABLES**

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

	<u>Amounts</u>
General Fund:	
Taxes	\$4,260,492
Accounts	2,173
Intergovernmental	356,540
Debt Service Fund:	
Taxes	159,869
Intergovernmental	15,504
Capital Projects Fund:	
Taxes	219,681
Intergovernmental	20,092

**NOTE 7 - FIXED ASSETS**

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

	<u>Balance July 1, 1999</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2000</u>
Land/Improvements	\$ 193,339			\$193,339
Building	6,058,360			6,058,360
Furniture/Equipment	1,338,024	\$126,112		1,464,136
Other Vehicles	510,873			510,873
Total	<u>\$8,100,596</u>	<u>\$126,112</u>	<u>          </u>	<u>\$8,226,708</u>

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

Furniture and Equipment	\$105,106
Less: Accumulated Depreciation	(59,477)
Net Fixed Assets-Proprietary Fund	<u>\$45,629</u>

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

**NOTE 8 - CAPITALIZED LEASES DISCLOSURE**

The sum of minimum future lease payments under capital lease agreements is classified as Capital Leases Payable in the General Long-Term Debt Account Group and the assets financed by the lease agreements are recorded as fixed assets in the General Fixed Assets Account Group. Assets within the General Fixed Assets Account Group under capital leases have a total carrying amount of \$121,973 as of June 30, 2000.

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

	General Long Term Obligations	
	<u>Year Ending</u>	<u>Equipment</u>
Total Minimum Lease Payments	2001	\$32,392
	2002	29,688
	2003	12,370
		<u>74,450</u>
Less: Amount Representing Interest		(8,663)
Present Value of Future Minimum Lease Payments		<u><u>\$65,787</u></u>

**NOTE 9 - DEBT**

During fiscal 2000, the District issued tax anticipation notes in the amount of \$118,000. These notes were paid off within the fiscal year using current tax collections. Due to the short-term nature of these notes, they were recorded as General Fund liabilities.

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

The following is a description of the Northwood Local School District long-term debt outstanding as of June 30, 2000:

<u>Description</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired In 2000</u>	<u>Outstanding 06/30/00</u>
Energy Conservation Loan	5.6000	04/19/91	12/01/01	\$ 155,000	\$ 15,500	\$ 31,000
General Obligation Bonds	5.3850	04/01/94	12/01/13	2,385,000	100,000	1,955,000
School Bus Bonds	5.5692	05/01/96	04/01/05	249,000	27,000	150,000
Permanent Improvement Note	5.6000	11/01/99	12/01/04	335,000		335,000
Energy Conservation Loan	5.7000	11/01/99	12/01/09	350,000		350,000
Totals				<u><u>\$3,474,000</u></u>	<u><u>\$142,500</u></u>	<u><u>\$2,821,000</u></u>

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

Year Ending June 30	Principal on General Obligation Bonds	Interest on General Obligation Bonds	Total
2001	\$ 232,500	\$ 155,127	\$ 387,717
2002	254,500	141,484	395,984
2003	250,000	127,565	377,565
2004	262,000	113,763	375,763
2005	277,000	99,019	376,019
2006-2010	540,000	672,563	1,212,563
2011-2014	1,005,000	105,555	1,110,555
Total	<u>\$2,821,000</u>	<u>\$1,415,166</u>	<u>\$4,236,166</u>

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

	Balance July 1, 1999	Increase	(Decrease)	Balance June 30, 2000
Compensated Absences	\$ 645,986		\$48,717	\$597,269
Pension Obligation Payable	80,613		26,231	54,382
Bonds and Notes Payable	2,278,500	\$685,000	142,500	2,821,000
Capital Leases Payable	23,882	76,100	34,195	65,787

*Legal Debt Margin:*

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed property valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the total assessed property valuation of the School District. The effects of these debt limitations at June 30, 2000, are a voted debt margin of \$8,663,326 (including available funds of \$108,725) and an unvoted debt margin of \$116,662.

**NOTE 10 - PENSION OBLIGATIONS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. 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 at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.55 percent of annual covered salary was the portion used to fund pension obligations. In fiscal 1999, 7.70 percent was 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 contributions to SERS for the years ended June 30, 2000, 1999, and 1998 were



**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

\$172,372, \$115,826, and \$102,632 respectively; 46 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$92,300 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the long term obligations account group.

**B. State 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. STRS provides retirement, disability benefits, annual cost-of-living adjustments, and death and survivor 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 for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations for fiscal year 2000. 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 to STRS for the years ended June 30, 2000, 1999, and 1998, were \$498,683, \$445,242, and \$424,998, respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$80,580 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**C. Social Security**

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

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

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

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

For the fiscal year ended June 30, 2000, the State Teachers Retirement Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, which was the percentage allocated in fiscal 1999. The balance in the Health Care Reserve Fund, from which health care benefits are paid, was \$3.419 billion on June 30, 2000. The Health Care Reserve Fund allocation for the year ended June 30, 2001 will be 4.5 percent of covered payroll.

For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000. There were 99,011 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

After the allocation for the basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. At June 30, 2000, the allocation rate is 8.45 percent. 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 2000, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, the Retirement System's net assets available for payment of health care benefits were \$252.3 million. The number of participants currently receiving health care benefits is approximately 50,000.

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

The School District maintains three (3) enterprise funds to account for the operations of food service, uniform school supplies, and a collaborative preschool program. The table below reflects the more significant financial data relating to the enterprise funds of the Northwood Local School District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Collaborative Preschool Program</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$172,583	\$16,057		\$188,640
Operating Expenditures				
Less Depreciation	320,739	21,325		342,064
Depreciation Expense	3,866			3,866
Operating (Loss)	(152,022)	(5,268)		(157,290)
Donated Commodities	19,084			19,084
Operating Grants	69,535			69,535
Other	9,219			9,219
Interest	242			242
Transfers In	31,921	4,500		36,421
Net Income (Loss)	(22,021)	(768)		(22,789)
Fixed Asset Additions	1,222			1,222
Working Capital	(31,912)	9,079	\$279	(22,554)
Total Assets	71,466	9,079	279	80,824
Total Liabilities	57,749			57,749
Total Equity	13,717	9,079	279	23,075

**NOTE 13 - RISK MANAGEMENT**

*Property and Liability*

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2000, the School District contracted with Utica Insurance for property and general liability insurance with a \$27,279,000 limit. There is a \$1,000 deductible

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

with a one hundred percent blanket, all risk policy. Utica Insurance covers the boiler and machinery with a \$1,000 deductible and a \$20,984,000 limit.

Professional liability is protected by The Nationwide Insurance Company with a \$1,000,000 single occurrence limit (reduced from a \$2,000,000 single occurrence limit in force at June 30, 1999) and \$5,000,000 aggregate, a \$100,000 fire damage limit (any one fire) and a \$5,000 medical expense limit (any one person), with a \$5,000 deductible per occurrence. Umbrella Liability insurance coverage with each occurrence limit at \$1,000,000 and an aggregate limit of \$1,000,000 (both limits reduced from the \$2,000,000 limits in force at June 30, 1999) is also protected by Nationwide Insurance Company. Vehicles are covered by Utica Insurance and hold no deductible for comprehensive and a \$100 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in the past three fiscal years. There have been no significant reductions in insurance coverage from last year, except as indicated.

*Worker's Compensation*

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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 participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP.

*Employee Medical Benefits*

As of August 10, 1982, the School District has contracted with the Wood County Insurance Consortium (Note 17) to provide employee medical/surgical benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution to a common fund from which claim payments are made for all participating districts. The employees share the cost of the monthly premium with the Board. For fiscal year 2000, the School District's and the employees' premiums were \$804.55 and \$40.00 for the indemnity plan family coverage, \$625.10 and \$5.00 for the Preferred Provider Option plan, and \$300.46 for the single indemnity plan with a co-pay of \$15.00, and \$214.39 for the single Preferred Provider Option plan. Dental insurance is also provided by the School District to all employees through Wood County Insurance Consortium. For fiscal year 2000, the School District's cost was a composite rate of \$42.98 month per employee. A \$45.00 cap on the dental premium is in place for classified employees for 2000.

Claims are paid for all participants regardless of claims flow. Upon termination, all School District claims would be paid without regard to the School District's account balance. The Wood County Insurance Consortium Administrative Committee has the right to return monies to an existing school district subsequent to the settlement of all claims.

**NOTE 14 - CONTINGENT LIABILITIES**

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

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

**NOTE 15 - CONTRIBUTED CAPITAL**

Contributed capital represents resources contributed from other governments, or other funds of the District that are not subject to repayment. These assets are recorded at a cost-based measure of fair value on the date the asset is contributed.

Contributed Capital July 1, 1999	\$103,884
Additions	
Contributed Capital June 30, 2000	<u>\$103,884</u>

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Penta County Joint Vocational School**

The Penta County Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven members, each appointed for a term of two years, to serve the sixteen participating school districts. Six members are appointed during the even number years, one each from the Lucas, Ottawa, and Wood Educational Service Centers and one each from the Bowling Green, Maumee City Boards of Education, and Rossford Exempted Village Board of Education. Five members are appointed during the odd number years, one each from Fulton, Lucas, Sandusky, and Wood Educational Service Centers and one from the Perrysburg Exempted Village Board of Education. The Board possesses its own budgeting and taxing authority. To obtain financial information write to the Penta County Joint Vocational School, Carrie Herringshaw, who serves as Treasurer, at 30095 Oregon Road, Perrysburg, Ohio 43551-4594.

**B. Northern Ohio Educational Computer Association**

The District is a participant in the Northern Ohio Educational Computer Association (NOECA), which is a computer consortium. NOECA is an association of 42 educational entities, primarily school districts, located in Crawford, Erie, Huron, Ottawa, Sandusky, Seneca, and Wood 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. NOECA is governed by its participating members, which consists of a representative from each member entity and a representative from the fiscal agent. During fiscal year 2000, the District paid \$4,008 in assessments to the consortium. Financial information can be obtained from Erie-Ottawa County Educational Service Center, from Betty Schwiesert, who serves as Treasurer, at 2900 S. Columbus Avenue, Sandusky, Ohio 44870.

**NOTE 17 - INSURANCE PURCHASING POOLS**

**A. Wood County Insurance Consortium**

The Wood County Insurance Consortium (WCIC) is a public entity shared risk pool consisting of six local school districts, three city or exempted village school districts, one vocational school, and the Educational Service Center. WCIC is organized as a Voluntary Employee Benefit Association under Section 501 (c) (9) of the Internal Revenue Code and provides medical, dental, and other benefits to the employees of the participating entities. Each participating entity's superintendent is appointed to an Administrative Committee, which advises the Trustee, Ohio Bank, concerning aspects of the administration of WCIC.

Each entity decides which plans offered by the Administrative Committee will be extended to its employees. Participation in WCIC is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from Michelle Sims, CoreSource, P.O. Box 6118, Westerville, Ohio 43086-6118.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

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

The District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (WCGRP), 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 OSBA. The Executive Director of OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 18 - STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$2,445,908 of school foundation support for its general fund.

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

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

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

**NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESERVES**

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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

**Northwood Local School District  
Wood County**

**Notes to the General Purpose Financial Statements  
June 30, 2000  
(Continued)**

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 1999			\$36,690	
Current Year Set-aside Requirement	\$167,518	\$167,518	57,894	
Current Year Offsets		(109,152)		
Qualifying Disbursements	(185,358)	(186,828)		
Total	<u>(\$17,840)</u>	<u>(\$128,462)</u>	<u>\$94,584</u>	
Cash Balance Carried Forward to FY 2001			<u>\$94,584</u>	
Amount Restricted for Budget Stabilization				<u>\$94,584</u>
Total Restricted Assets				<u>\$94,584</u>

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

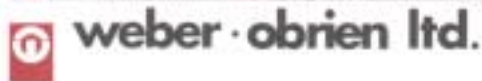
**NOTE 20 – COMMITMENTS AND SUBSEQUENT EVENT**

The District has commitments of approximately \$780,000 at June 30, 2000 relating to projects for energy conservation, capital asset improvements, and repairs and renovations.

Related to the above commitments, in September of 2000 the District issued \$300,000 in Energy Conservation Loans to finance the costs of energy-saving equipment, modifications and renovations. The Loan has a final maturity date of ten years from the date of issuance.

**NOTE 21 – RESTATEMENT OF PRIOR YEAR FUND BALANCE**

Accrued Wages and Benefits were understated in the General Fund by \$83,392 at June 30, 1999 which caused the fund balance at such date to be overstated. Accordingly, the fund balance deficit of \$211,470, as previously reported at June 30, 1999, was increased to a deficit of \$294,862.



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

Board of Education  
Northwood Local School District  
600 Lemoyne Street  
Northwood, Ohio 43619

We have audited the financial statements of Northwood Local School District as of and for the year ended June 30, 2000, and have issued our report thereon dated January 24, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

*W. D. O'Brien, CPA*

January 24, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**NORTHWOOD LOCAL SCHOOL DISTRICT**

**WOOD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 27, 2001**