



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Antwerp Local School District
Paulding County
204 Archer Drive
P.O. Box AA
Antwerp, Ohio 45813

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Antwerp Local School District (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Antwerp Local School District, Paulding County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 3 to the general-purpose financial statements, during fiscal year 2001, the District changed its method of accounting for nonexchange transactions.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2002 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.

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

Jim Petro
Auditor of State

December 12, 2002

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**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
As of June 30, 2001**

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
ASSETS AND OTHER DEBITS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,567,360	\$119,208	\$30,957	\$4,104,145
Cash and Cash Equivalents:				
With Fiscal Agents		7,644		
Receivables:				
Taxes	1,684,796		217,502	98,987
Income Tax	171,752			
Intergovernmental				16,288,046
Materials and Supplies Inventory				
Prepaid Items	22,952			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	13,557			
Fixed Assets (Net of accumulated depreciation where applicable)				
Other Debits:				
Amount in Debt Service Fund for Retirement of Debt				
Amount to be Provided from General Government Resources				
Total Assets and Other Debits	<u><u>\$3,460,417</u></u>	<u><u>\$126,852</u></u>	<u><u>\$248,459</u></u>	<u><u>\$20,491,178</u></u>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$145,990	\$35,348			\$6,003,008
				7,644
				2,001,285
				171,752
				16,288,046
3,697				3,697
				22,952
				13,557
16,190		\$5,361,348		5,377,538
			\$30,957	30,957
			3,575,012	3,575,012
\$165,877	\$35,348	\$5,361,348	\$3,605,969	\$33,495,448

(Continued)

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Balance Sheet
All Fund Types and Account Groups
As of June 30, 2001
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$8,018	\$2,777		\$5,930
Contracts Payable				63,600
Accrued Wages and Benefits	397,378	212		
Compensated Absences Payable	3,530			
Intergovernmental Payable	61,656			
Deferred Revenue	1,599,714		\$207,918	16,369,529
Due to Students				
Energy Conservation Loan Payable				
Asbestos Removal Loan Payable				
Notes Payable				
Total Liabilities	2,070,296	2,989	207,918	16,439,059
Fund Equity and Other Credits:				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	20,530	18,362		696,970
Reserved for Prepaid Items	22,952			
Reserved for Debt Service Principal			30,957	
Reserved for Property Taxes	85,082		9,584	
Reserved for Budget Stabilization	13,557			
Unreserved, Undesignated	1,248,000	105,501		3,355,149
Total Fund Equity and Other Credits	1,390,121	123,863	40,541	4,052,119
Total Liabilities, Fund Equity, and Other Credits	\$3,460,417	\$126,852	\$248,459	\$20,491,178

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

Proprietary Fund Types	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
				\$16,725
				63,600
\$7,610				405,200
9,462			\$218,624	231,616
8,593			24,261	94,510
1,573				18,178,734
	\$35,348			35,348
			69,896	69,896
			32,188	32,188
			3,261,000	3,261,000
27,238	35,348		3,605,969	22,388,817
		\$5,361,348		5,361,348
138,639				138,639
				735,862
				22,952
				30,957
				94,666
				13,557
				4,708,650
138,639		5,361,348		11,106,631
\$165,877	\$35,348	\$5,361,348	\$3,605,969	\$33,495,448

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001**

	Governmental Fund Types	
	General	Special Revenue
Revenues:		
Intergovernmental	\$2,787,932	\$319,246
Interest	109,645	
Tuition and Fees	13,091	
Rent	1,472	
Extracurricular Activities		96,034
Income Tax	436,373	25,189
Property and Other Local Taxes	1,141,633	
Miscellaneous	65,910	
Total Revenues	4,556,056	440,469
Expenditures:		
Instruction:		
Regular	2,510,255	178,186
Special	278,074	141,928
Other	12,467	
Support services:		
Pupils	225,879	2,528
Instructional Staff	243,896	18,582
Board of Education	6,941	
Administration	430,010	11,568
Fiscal	145,652	13,871
Operation and Maintenance of Plant	391,721	
Pupil Transportation	234,797	
Extracurricular Activities	143,208	86,802
Capital Outlay		
Debt Service:		
Principal		
Interest		
Total Expenditures	4,622,900	453,465
Excess of Revenues Over (Under) Expenditures	(66,844)	(12,996)
Other Financing Sources		
Proceeds from Sale of Long-Term Notes		
Other Financing Sources	496	
Total Other Financing Sources	496	
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(66,348)	(12,996)
Fund Balance at Beginning of Year - Restated	1,456,469	136,859
Fund Balance at End of Year	\$1,390,121	\$123,863

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

<u>Governmental Fund Types</u>		<u>Totals</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
\$11,865	\$996,709	\$4,115,752
	95,960	205,605
		13,091
		1,472
		96,034
		461,562
114,395	90,948	1,346,976
		65,910
<u>126,260</u>	<u>1,183,617</u>	<u>6,306,402</u>
	26,827	2,715,268
		420,002
		12,467
		228,407
		262,478
		6,941
		441,578
3,603	3,376	166,502
		391,721
		234,797
		230,010
	441,807	441,807
	32,500	32,500
82,116	5,088	87,204
<u>85,719</u>	<u>509,598</u>	<u>5,671,682</u>
<u>40,541</u>	<u>674,019</u>	<u>634,720</u>
	3,261,000	3,261,000
		496
	<u>3,261,000</u>	<u>3,261,496</u>
40,541	3,935,019	3,896,216
	117,100	1,710,428
<u>\$40,541</u>	<u>\$4,052,119</u>	<u>\$5,606,644</u>

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual Comparison (Non-GAAP Budgetary Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001**

	General		Variance: Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$2,777,883	\$2,785,216	\$7,333
Interest	119,997	120,006	9
Tuition and Fees	13,091	13,091	
Rent	1,473	1,473	
Extracurricular Activities			
Income Tax	429,810	429,810	
Property and Other Local Taxes	1,125,367	1,125,367	
Miscellaneous	65,910	65,910	
Total Revenues	4,533,531	4,540,873	7,342
Expenditures:			
Current:			
Instruction:			
Regular	2,465,892	2,465,892	
Special	278,074	278,074	
Other	12,467	12,467	
Support services:			
Pupils	219,892	219,892	
Instructional Staff	244,214	244,214	
Board of Education	7,044	7,044	
Administration	427,156	427,051	105
Fiscal	142,913	142,913	
Operation and Maintenance of Plant	404,378	404,378	
Pupil Transportation	218,173	218,173	
Extracurricular activities	142,987	142,987	
Capital Outlay			
Debt Service:			
Principal			
Interest			
Total Expenditures	4,563,190	4,563,085	105
Excess of Revenues Over (Under) Expenditures	(29,659)	(22,212)	7,447
Other Financing Sources			
Proceeds From Sale of Long-Term Notes			
Refund of Prior Year Expenditures	496	496	
Total Other Financing Sources	496	496	
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	(29,163)	(21,716)	7,447
Fund Balance at Beginning of Year	1,517,631	1,517,631	
Prior Year Encumbrances Appropriated	56,547	56,547	
Fund Balance at end of Year	\$1,545,015	\$1,552,462	\$7,447

Special Revenue			Debt Service		
Budget	Actual	Variance: Favorable (Unfavorable)	Budget	Actual	Variance: Favorable (Unfavorable)
\$291,063	\$291,063		\$11,865	\$11,865	
96,034	96,034				
25,189	25,189				
			104,811	104,811	
<u>412,286</u>	<u>412,286</u>		<u>116,676</u>	<u>116,676</u>	
178,452	178,452				
118,858	118,858				
2,528	2,528				
8,604	8,604				
3,415	3,415				
13,288	13,288		3,603	3,603	
89,045	89,045				
			82,116	82,116	
<u>414,190</u>	<u>414,190</u>		<u>85,719</u>	<u>85,719</u>	
<u>(1,904)</u>	<u>(1,904)</u>		<u>30,957</u>	<u>30,957</u>	
(1,904)	(1,904)		30,957	30,957	
88,186	88,186				
11,788	11,788				
<u>\$98,070</u>	<u>\$98,070</u>		<u>\$30,957</u>	<u>\$30,957</u>	

(Continued)

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual Comparison (Non-GAAP Budgetary Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001
(Continued)**

	Capital Projects		Variance: Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Intergovernmental	\$979,205	\$979,205	
Interest	10,354	95,960	\$85,606
Tuition and Fees			
Rent			
Extracurricular Activities			
Income Tax			
Property and Other Local Taxes	97,451	97,451	
Miscellaneous			
Total Revenues	1,087,010	1,172,616	85,606
Expenditures:			
Current:			
Instruction:			
Regular	36,943	36,943	
Special			
Other			
Support services:			
Pupils			
Instructional Staff			
Board of Education			
Administration			
Fiscal	3,376	3,376	
Operation and Maintenance of Plant			
Pupil Transportation			
Extracurricular activities			
Capital Outlay	1,128,660	1,128,660	
Debt Service			
Debt Service - Principal	3,293,500	3,293,500	
Debt Service - Interest	5,088	5,088	
Total Expenditures	4,467,567	4,467,567	
Excess of Revenues Over (Under) Expenditures	(3,380,557)	(3,294,951)	85,606
Other Financing Sources			
Proceeds From Sale of Long-Term Notes	6,522,000	6,522,000	
Refund of Prior Year Expenditures			
Total Other Financing Sources	6,522,000	6,522,000	
Excess of Revenue and Other Financing Sources Over (Under) Expenditures	3,141,443	3,227,049	85,606
Fund Balance at Beginning of Year	88,092	88,092	
Prior Year Encumbrances Appropriated	22,504	22,504	
Fund Balance at end of Year	\$3,252,039	\$3,337,645	\$85,606

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

Totals (Memorandum Only)		
Budget	Actual	Variance: Favorable (Unfavorable)
\$4,060,016	\$4,067,349	\$7,333
130,351	215,966	85,615
13,091	13,091	
1,473	1,473	
96,034	96,034	
454,999	454,999	
1,327,629	1,327,629	
65,910	65,910	
6,149,503	6,242,451	92,948
2,681,287	2,681,287	
396,932	396,932	
12,467	12,467	
222,420	222,420	
252,818	252,818	
7,044	7,044	
430,571	430,466	105
163,180	163,180	
404,378	404,378	
218,173	218,173	
232,032	232,032	
1,128,660	1,128,660	
3,293,500	3,293,500	
87,204	87,204	
9,530,666	9,530,561	105
(3,381,163)	(3,288,110)	93,053
6,522,000	6,522,000	
496	496	
6,522,496	6,522,496	
3,141,333	3,234,386	93,053
1,693,909	1,693,909	
90,839	90,839	
\$4,926,081	\$5,019,134	\$93,053

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Statement of Revenues, Expenses
and Changes in Fund Equity
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001**

	Proprietary Fund Type
	Enterprise
Operating Revenues:	
Tuition	\$10,840
Sales	202,145
Charges for Services	6,570
Total Operating Revenues	219,555
Operating Expenses	
Salaries	65,522
Fringe Benefits	19,885
Purchased Services	10,107
Materials and Supplies	170,546
Depreciation	1,737
Total Operating Expenses	267,797
Operating Loss	(48,242)
Non-Operating Revenues	
Federal Donated Commodities	8,898
Interest	4,479
Federal and State Subsidies	31,607
Total Non-Operating Revenues	44,984
Net Loss	(3,258)
Retained Earnings at Beginning of Year	141,897
Retained Earnings at End of Year	\$138,639

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

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001**

	Proprietary Fund Type
	Enterprise
Increase in Cash and Cash Equivalents	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Sales	\$202,145
Cash Received from Charges for Services	6,570
Cash Received from Tuition	10,840
Cash Payments to Suppliers for Goods and Service	(160,839)
Cash Payments for Contract Services	(10,149)
Cash Payments for Employee Services	(63,680)
Cash Payments for Employee Benefits	(17,758)
Net Cash Used by Operating Activities	(32,871)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Operating Grants Received	31,607
<u>Cash Flows from Investing Activities:</u>	
Interest Received	4,479
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Payments for Capital Acquisitions	(1,416)
Net Increase in Cash and Cash Equivalents	1,799
Cash and Cash Equivalents at Beginning of Year	144,191
Cash and Cash Equivalents at End of Year	\$145,990
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	(\$48,242)
<u>Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:</u>	
Depreciation	1,737
Donated Commodities Used During the Year	8,898
Decrease in Assets:	
Material and Supplies Inventory	703
Increase (Decrease) in Liabilities:	
Accounts Payable	(42)
Compensated Absences Payable	2,726
Intergovernmental Payable	2,410
Deferred Revenue	107
Accrued Wages and Benefits	(1,168)
Total Adjustments	15,371
Net Cash Used by Operating Activities	(\$32,871)

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

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**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Antwerp Local 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 is located in Paulding County. The School District is the 548th largest in the State of Ohio (among 612 school districts) in terms of enrollment. It is staffed by 30 non-certificated employees and 54 certificated full-time teaching personnel who provide services to 797 students and other community members.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Antwerp 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. The School District does not have any component units.

The School District is associated with five organizations, which are defined as jointly governed organizations and an insurance purchasing pool. These organizations include the Northwest Ohio Area Computer Services Cooperative, Vantage Vocational School, Paulding County Schools Council, Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Plan, and the Paulding County School Council Employees Insurance Benefits Program. These organizations are presented in Notes 18 and 19 to the general-purpose financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

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

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

2. Proprietary Fund Type

Proprietary funds are used to account for the School District's ongoing activities that 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 School District 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.

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

The School District's fiduciary funds include agency funds. Agency funds are custodial in nature (assets equal liabilities) and do 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, other than those accounted for in the proprietary funds.

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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.

The proprietary fund type is 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 and agency funds. The full accrual basis of accounting is followed for the proprietary fund type.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted;

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matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, and student fees.

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, revenues that are not collected within the available period are recorded as deferred revenue.

On the accrual basis of accounting, 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.

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 governmental funds.

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 appropriations 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 fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

The Eisenhower and Title VI-B special revenue funds are flow through grants in which the Western Buckeye 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

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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 Paulding 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 year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

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 must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level 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 must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

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

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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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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 Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. During fiscal year 2001, investments were limited to interest in STAR Ohio. Investments are stated at cost or amortized cost. Investment earnings are allocated as authorized by State statute.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue for the District was \$205,605 of which \$109,645 was credited to the General Fund.

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.

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

E. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at

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the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the 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 over fifteen thousand dollars are capitalized. Improvements to 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.

H. Intergovernmental Revenues

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

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 Reimbursement

Non-Reimbursable Grants

Special Revenue Funds

- Local Professional Development
- Excellence Grant
- Education Management Information Systems
- School Net Professional Development
- Textbook/Instructional Materials
- Ohio Reads Grant
- Summer Intervention

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Safe Schools Help Line
Conflict Management Grant
Family/School Partnership Grant
Eisenhower - Flow through
Title VI-B - Flow through
Title I
Title II
Title VI
Drug Free Grant
E-Rate Grant
School to Work Grant

Capital Projects Funds

School Net Plus
Technology Equity
IVDL Grant
Emergency Building Grant

Reimbursable Grants

General Fund

Driver Education
Vocational Education

Proprietary 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 2001 fiscal year.

I. Compensated Absences

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

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

J. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments,

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compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due.

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

K. 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.

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 property taxes, prepaids, budget stabilization, debt service principal, 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 a refund from the Bureau of Workers' Compensation required to be set aside by State statute which may be used solely for the purposes listed in the statute.

M. 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 by the School District to create a reserve for budget stabilization. See Note 16 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

N. Estimates

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

O. Total Columns on General-Purpose Financial Statements

Total columns on the general-purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted

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accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2001, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and Statement No. 36, “Recipient Reporting for Certain Shared Nonexchange Revenues”. These statements establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or the modified accrual basis of accounting is required. However, for revenue recognition to occur on the modified accrual basis the criteria established for accrual basis revenue recognition must be met and the revenues must be available. For the District, the implementation of these statements affected the excess of revenues over expenditures and fund balance as previously reported by the following amounts:

	Special Revenue Funds
Excess of Revenues and Other Financing Sources Over Expenditures as previously reported at June 30, 2000	\$33,842
Net change due to change in accounting principles	30,000
Adjusted Excess of Revenues and Other Financing Sources Over Expenditures	\$63,842
Fund Equity as previously reported at June 30, 2000	\$106,859
Net change due to change in accounting principles	30,000
Restated Fund Equity at July 1, 2000	\$136,859

Compliance:

Appropriations exceeded total estimated revenue in the following funds at the dates indicated:

Fund	Estimated Resources	Amount Appropriated	Appropriations in Excess of Estimated Resources
<u>December 21, 2000</u>			
OSFC Fund		\$3,761,000	(\$3,761,000)
Title VI Fund	\$3,813	6,274	(2,461)
Title IV Fund	3,195	4,902	(1,707)
Raising the Bar Fund	135,800	160,800	(25,000)
<u>April 19, 2001</u>			
Tech Equity Fund	10,000	18,000	(8,000)
Title VI Fund	3,813	6,274	(2,461)
Title IV Fund	3,195	4,902	(1,707)

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At year end the District amended its appropriations to equal actual expenditures, prior to the year end amendment the following funds had expenditures in excess of appropriations:

Fund	Amount Appropriated	Amount Expended	Expenditures in Excess of Appropriations
Bond Retirement Fund	\$3,500	85,719	(\$82,219)
OSFC Fund	1,071,686	4,339,322	(3,267,636)
Ohio Reads Fund	51,653	73,942	(22,289)

NOTE 4 - 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 and Actual (Budget Basis) and 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/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. Although not part of the appropriated budget, the Eisenhower and Title VI-B special revenue funds are included as part of the reporting entity when preparing financial statements that conform to GAAP.

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

Governmental Funds	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	(\$21,716)	(\$1,904)	\$30,957	\$3,227,049
Revenue Accruals	15,183	28,183	9,584	(3,249,999)
Expenditure Accruals	(88,270)	(60,414)		3,191,469
Encumbrances	28,455	21,139		766,500
GAAP Basis	<u>(\$66,348)</u>	<u>(\$12,996)</u>	<u>\$40,541</u>	<u>\$3,935,019</u>

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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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 monies are those monies that 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 School District's deposits is provided by the Federal Deposit Insurance Corporation, 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 to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or other obligations or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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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 fiscal year end, the School District had \$50 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".

At fiscal year end, the School District had \$7,644 in cash and cash equivalents with fiscal agents, which is included on the balance sheet as "Cash and Cash Equivalents with Fiscal Agents". The Western Buckeye 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 and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits - At fiscal year end, the carrying amount of the School District's deposits was \$78,252 and the bank balance was \$229,051. The entire bank balance was covered by federal depository insurance or by securities held by the financial institutions trust department in the School District's name.

Investments - The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. The School District's investments consist solely of STAR Ohio, an investment pool operated by the Ohio State Treasurer. These are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Carrying Value	Fair Value
STAR Ohio	\$5,938,263	\$5,938,263

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

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$6,024,209	
Cash with Educational Service Center	(7,644)	
Cash on Hand	(50)	
Investments:		
STAR Ohio	(5,938,263)	\$5,938,263
GASB Statement 3	\$78,252	\$5,938,263

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NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Paulding 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, 2001, are available to finance fiscal year 2001 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, tangible personal property, and public utility taxes that became measurable as of June 30, 2001. 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 is recognized as revenue.

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second-Half Collections		2001 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$39,374,130	81.90%	\$41,140,480	81.66%
Public Utility	3,209,120	6.67%	3,459,650	6.87%
Tangible Personal Property	5,494,830	11.43%	5,778,075	11.47%
Total Assessed Value	<u>\$48,078,080</u>	<u>100.00%</u>	<u>\$50,378,205</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	<u>\$44.40</u>		<u>\$44.40</u>	

The School District levies a voted tax of .75% for general operations on the income of residents and of estates. The permanent tax was approved by the voters on November 1990, and is effective January 1, 1991. 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

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District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2001, consisted of both property and income taxes, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

NOTE 9 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$74,209
Less: Accumulated Depreciation	58,019
Net Fixed Assets	\$16,190

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$112,861			\$112,861
Buildings and Improvements	3,158,219			3,158,219
Furniture, Fixtures, and Equipment	1,369,233	\$256,882	\$79,325	1,546,790
Vehicles	543,378	4,000	3,900	543,478
Total	\$5,183,691	\$260,882	\$83,225	\$5,361,348

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Nationwide Insurance for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided by Nationwide Insurance are as follows:

Building and Contents (\$250 deductible)	Replacement Cost
Inland Marine Coverage:	
Musical Instruments (No deductible)	\$95,641
Photo Equipment (No deductible)	55,000
Radios (No deductible)	2,523
EDP (\$100 deductible)	82,130
Boiler and Machinery (\$1,000 deductible)	15,876,000
Crime Insurance	1,000
Automobile Liability (\$500 deductible)	2,000,000
Uninsured Motorists	1,000,000
General Liability	
Per occurrence	2,000,000

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

Total per year	5,000,000
Umbrella Liability	
Per occurrence	3,000,000
Total per year	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.

B. Employee Medical Benefits

As of June 30, 2001 the School District has contracted through the Paulding County Schools Council with Medical Mutual of Ohio as third party provider to provide employee medical/surgical benefits and also dental benefits. Rates are set through an annual calculation process. The School District and the employees share the cost of the monthly premium with the Board.

C. Workers' Compensation

For fiscal year 2001, the School District participated in the Northwest Ohio Area Computer Services Cooperative 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 the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP.

Each participant pays its workers' compensation premium to the State based on the rate for the performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Anthem Comp. Services provided administrative, cost control and actuarial services to the GRP.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. 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 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; 9.5 percent was the portion used to fund pension obligations for fiscal year 2001. For fiscal year 2000, 6 percent was the portion used to fund pension obligations. 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, 2001, 2000, and 1999, were \$212,590, \$125,445, and \$118,326, respectively; 83 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. The

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

unpaid contribution for fiscal year 2001, in the amount of \$35,145, 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; 4.2 percent was the portion used to fund pension obligations for fiscal year 2001. For fiscal year 2000, 5.5 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, 2001, 2000, and 1999, were \$19,246, \$24,906, and \$35,284, respectively; 59 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. The unpaid contribution for fiscal year 2001, in the amount of \$9,821, is recorded as a liability within the respective funds and the general long-term obligations account group.

NOTE 12 - 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 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$100,700.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,256 million at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,722,000, and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to 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.

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. 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 2001, the minimum pay was established at \$12,400. For the School District, the amount to fund health care benefits, including the surcharge, was \$44,906 for fiscal year 2001.

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 for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934, and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal 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 the rate of one and one-fourth days per month which is 15 days annually. For administrators, teachers, and classified employees, such days shall accumulate equal to 235 days. Vested sick leave is accumulated and, if unused, is paid upon retirement at the rate of one-fourth of the accumulated sick leave when an employee has 10 years with the School District. Administrative, certified, and classified employees are limited to a maximum of 45 paid days.

B. Life Insurance

The School District provides life insurance to most employees through the Medical Life Insurance Company.

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Principal Outstanding 6/30/00	Additions	Deductions	Principal Outstanding 6/30/01
Asbestos Loan – Interest Free	\$37,188		\$5,000	\$32,188
House Bill #264 Loan 10 years 5.9% Interest Rate	102,396		32,500	69,896
Bond Anticipation Notes		\$3,261,000		3,261,000
Compensated Absences	232,816		14,192	218,624
Intergovernmental Payables	19,899	4,362		24,261
Total General Long-Term Obligations	\$392,299	\$3,265,362	\$51,692	\$3,605,969

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

House Bill #264 Loan was entered into in 1995. The 5.9%, \$325,000 loan was issued for the purpose of purchasing and installing energy conservation measures. The District will make annual payments through fiscal year 2004.

The Asbestos Loan was entered into in 1988 through the United States Environmental Protection Agency. The purpose of this loan is to provide revenues for the removal of asbestos from school buildings. This interest free promissory note maturing in fiscal year 2008 had an original principal amount of \$102,068. The District will make semi-annual installments of \$2,500.

The bond anticipation notes were issued to payoff short term financing for the District's local portion of the school facilities construction. The notes were issued for six months and were paid off in November of 2001 when the District issued bonds.

Compensated absences and intergovernmental payables will be paid from the fund that the employer's salary is paid. Compensated absences, additions and deletions have been netted because the calculation is an estimate making it impractical to determine.

The School District's voted legal debt margin was \$1,066,027 with an unvoted debt margin of \$48,078 at June 30, 2001.

The annual requirements to amortize all debt outstanding as of June 30, 2001 are as follows:

Year Ending June 30,	Principal	Interest	Total
2002	\$3,298,500	\$64,001	\$3,362,501
2003	37,500	1,247	38,747
2004	9,896	144	10,040
2005	5,000		5,000
2006	5,000		5,000
2007-Thereafter	7,188		7,188
Total	\$3,363,084	\$65,392	\$3,428,476

NOTE 15 - 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 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 prior years, the School District was also required to set aside money for budget stabilization. For fiscal year 2001, only the unspent portion of certain workers' compensation refunds continues to be set aside at fiscal year end.

The following cash basis information identifies the changes in the fund balance reserves for textbooks, capital improvements, and budget stabilization during fiscal year 2001.

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

	Textbooks	Capital Improvements	Budget Stabilization
Balance June 30, 2000	(\$3,864)		\$47,786
Current Year Set Aside Requirement	102,848	\$102,848	
Legislative Reduction		(66,590)	(34,229)
Qualifying Expenditures	(152,286)	(36,258)	
Amount Carried Forward to Fiscal Year 2002	<u>(\$53,302)</u>		<u>\$13,557</u>
Set Aside Reserve Balance June 30, 2001			<u>13,557</u>

The School District had qualifying expenditures during the fiscal year that reduced the textbooks set aside amount below zero. This amount may be used to reduce the set aside requirement in future fiscal years. The total reserve balance for the set asides at the end of the fiscal year was \$13,557.

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains four enterprise funds to account for the operations of food service, uniform school supplies, pool, and preschool tuition. The table below reflects the more significant financial data relating to the enterprise funds of the District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Pool	Preschool Tuition	Total Enterprise Funds
Operating Revenues	\$155,440	\$46,705	\$6,570	\$10,840	\$219,555
Operating Expenses					
Less Depreciation	189,605	56,256	7,203	12,996	266,060
Depreciation Expense	1,737				1,737
Operating Loss	(35,902)	(9,551)	(633)	(2,156)	(48,242)
Donated Commodities	8,898				8,898
Federal and State Subsidies	31,607				31,607
Interest	4,479				4,479
Net Income (Loss)	9,082	(9,551)	(633)	(2,156)	(3,258)
Net Working Capital	85,859	32,071	3,892	627	122,449
Total Assets	126,267	32,071	4,839	2,700	165,877
Total Liabilities	24,218		947	2,073	27,238
Total Equity	102,049	32,071	3,892	627	138,639

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Area Computer Services Cooperative

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC), which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Mercer, Paulding, Putnam, and Van Wert Counties and Cities of St. Mary's and Wapakoneta. 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 NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

School District has an equity interest that is explicit and measurable in that the joint governed organization stipulates that the participants have a future claim to the net resources of NOACSC upon dissolution. The agreement sets forth the method to determine each member's proportionate share.

Vantage Vocational School

The Vantage Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Vantage Vocational School, Ella J. Jackson, who serves as Treasurer, at 818 North Franklin Street, Van Wert, Ohio 45891.

Paulding County Schools Council

The Paulding County Schools Council is a jointly governed organization among the Boards of Education of Antwerp Local School District, Paulding County Board of Education, Paulding Exempted Village School District and Wayne Trace Local School District. The Council is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member school districts and bylaws adopted by the representatives of the member school districts. To obtain financial information write to the Paulding County School Council, Paul Clark, who serves as Chairman, at PO Box 176, Paulding, Ohio 45879-0176.

NOTE 18 - GROUP PURCHASING POOL

Northwest Ohio Area Computer Service Cooperative Workers' Compensation Group Rating Plan

The District participates in a group-rating plan (GRP) for workers' compensation as established under Ohio Revised Code Section 4123.29. The Group Rating Plan was established through the Northwest Ohio Area Computer Service Cooperative as a group insurance purchasing pool. The GRP's business and affairs are conducted by a twenty-five member Board of Directors consisting two representatives from each county elected by a majority vote of all charter member schools within each county plus one representative from the fiscal agency A-site. The treasurer of Findlay City Schools serves as coordinator of the program. Each year, the participating Districts pay an enrollment fee to cover the costs of administering the program.

The Paulding County School Council's Employee Insurance Benefits Program

The Paulding County School Council's Employee Insurance Benefits Program includes a health insurance plan. The plan is a risk-sharing pool among the Boards of Education of Antwerp Local School District, Paulding County Board of Education, Paulding Exempted Village School District and Wayne Trace Local School District. The purpose of the plan is for its members to pool funds or resources to purchase commercial insurance products and enhance the wellness opportunities for employees.

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

Financial information can be obtained from Paul Clark, who serves as Chairman, at P.O. Box 176, Paulding, Ohio 45879-0176.

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001
(Continued)**

NOTE 19 - SCHOOL FOUNDATION PROGRAM

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

NOTE 20 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

B. Litigation

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

NOTE 21 – SUBSEQUENT EVENTS

On September 1, 2001 the District issued \$3,260,998 in General Obligation Bonds. The bond proceeds were used to retire short term bond anticipation notes used to finance the District's portion of an Ohio School Facilities building project.

During Fiscal Year 2002 the District entered in to contracts totaling \$15,409,593 for an Ohio School Facilities building project.



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

Antwerp Local School District
Paulding County
204 Archer Drive
P.O. Box AA
Antwerp, Ohio 45813

To the Board of Education:

We have audited the financial statements of Antwerp Local School District (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated December 12, 2002, in which we disclosed the District changed its method of accounting for nonexchange transactions. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-10263-001 and 2001-10263-002. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 12, 2002.

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 December 12, 2002.

Antwerp Local School District
Paulding County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

December 12, 2002

**ANTWERP LOCAL SCHOOL DISTRICT
PAULDING COUNTY**

**SCHEDULE OF FINDINGS
JUNE 30, 2001**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-10263-001

Noncompliance Citation

Ohio Revised Code § 5705.39 states that the total appropriations from each fund should not exceed the total estimated revenue.

Appropriations exceeded total estimated revenue in the following funds at the dates indicated:

Fund	Estimated Resources	Amount Appropriated	Appropriations in Excess of Estimated Resources
December 21, 2000			
OSFC Fund		\$3,761,000	(\$3,761,000)
Title VI Fund	\$3,813	6,274	(2,461)
Title IV Fund	3,195	4,902	(1,707)
Raising the Bar Fund	135,800	160,800	(25,000)
April 19, 2001			
Tech Equity Fund	10,000	18,000	(8,000)
Title VI Fund	3,813	6,274	(2,461)
Title IV Fund	3,195	4,902	(1,707)

Appropriations should be reviewed prior to approval to ensure they do not exceed estimated resources. If the planned appropriations exceed estimated resources the District should request an amended certificate of estimated resources, if resources are sufficient to support an increase, or reduce planned appropriations.

FINDING NUMBER 2001-10263-002

Noncompliance Citation

Ohio Revised Code § 5705.41(B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated as provided in such chapter.

At year end the District amended its appropriations to equal actual expenditures, prior to the year end amendment the following funds had expenditures in excess of appropriations:

Fund	Amount Appropriated	Amount Expended	Expenditures in Excess of Appropriations
Bond Retirement Fund	\$3,500	\$85,719	(\$82,219)
OSFC Fund	1,071,686	4,339,322	(3,267,636)
Ohio Reads Fund	\$51,653	73,942	(22,289)

The Treasurer should not issue purchase orders or checks for expenditures that would exceed appropriations. The Treasurer should inform the Board of the insufficiency of appropriations, and whether current resources permit an increase to appropriations. The Board should determine if they wish to increase appropriations and if needed, obtain an amended certificate of estimated resources.



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ANTWERP LOCAL SCHOOL DISTRICT

PAULDING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2003**