

Washington-Nile Local School District

Scioto County

Single Audit

July 1 , 1999 Through June 30, 2000

Fiscal Year Audited Under GAGAS: 2000

**MICHAEL A. BALESTRA, CPA, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**528 SOUTH WEST STREET, P.O. BOX 687**  
**PIKETON, OHIO 45661**



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Members of the Board  
Washington Nile Local School District  
15332 U.S. Highway 52  
West Portsmouth, Ohio 45663

We have reviewed the Independent Auditor's Report of the Washington Nile Local School District, Scioto County, prepared by Michael A. Balestra, CPA, Inc., 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 Washington Nile 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

November 3, 2000



**WASHINGTON-NILE LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY**

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**MICHAEL A. BALESTRA, CPA, INC.**  
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**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
Washington-Nile Local School District  
15332 U.S. Highway 52  
West Portsmouth, Ohio 45663

We have audited the accompanying general purpose financial statements of the Washington-Nile Local School District, Scioto County, 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 Washington-Nile Local School 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Washington-Nile Local School District, as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued our report dated October 11, 2000, on our consideration of the Washington-Nile Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

*Michael A. Balestra, CPA, INC.*

Michael A. Balestra, CPA, INC  
October 11, 2000

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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The general purpose financial statements of the School District include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of the proprietary fund type.

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Washington-Nile Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 For the Year Ended June 30, 2000

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue	Debt Service	Capital Projects
<i>Assets and Other Debits:</i>				
<i>Assets:</i>				
Equity in Pooled Cash & and Cash Equivalents	\$0	\$461,533	\$0	\$0
Investments	1,712,606	32,189	85,039	415,657
Cash and Cash Equivalents In Segregated Accounts	0	0	0	608
Receivables:				
Taxes	979,646	18,778	162,043	0
Accounts	5,599	5,074	0	0
Intergovernmental	17,379	61,529	0	14,917
Accrued Interest	26,027	0	0	0
Interfund	13,824	0	0	0
Inventory Held for Resale	0	119	0	0
Materials and Supplies Inventory	33,370	0	0	0
Prepaid Items	48,055	0	0	0
<i>Restricted Assets:</i>				
Equity in Pooled Cash/Cash Equivalents	316,954	0	0	0
Fixed Assets	0	0	0	0
Accumulated Depreciation	0	0	0	0
<i>Other Debits:</i>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$3,153,460</b>	<b>\$579,222</b>	<b>\$247,082</b>	<b>\$431,182</b>
<i>Liabilities, Fund Equity and Other Credits:</i>				
<i>Liabilities:</i>				
Accounts Payable	\$51,608	\$28,129	\$0	\$1,399
Accrued Wages and Benefits	661,854	175,954	0	0
Compensated Absences Payable	13,964	0	0	0
Interfund Payable	0	0	0	13,824
Intergovernmental Payable	131,707	28,477	0	0
Deferred Revenue	907,793	17,071	149,906	0
Undistributed Monies	0	0	0	0
Energy Conservation Loan Program	0	0	0	0
Asbestos Removal Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>1,766,926</b>	<b>249,631</b>	<b>149,906</b>	<b>15,223</b>
<i>Fund Equity and Other Credits:</i>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved:				
Reserved for Encumbrances	240,661	17,174	0	400,856
Reserved for Inventory	33,370	0	0	0
Reserved for Property Taxes	71,853	1,707	12,137	0
Reserved for Textbooks/Inst. Material	32,307	0	0	0
Reserved for Budget Stabilization	180,813	0	0	0
Reserved for Bus Purchase	103,834	0	0	0
Unreserved:				
Undesignated	723,696	310,710	85,039	15,103
<b>Total Fund Equity/Other Credits</b>	<b>1,386,534</b>	<b>329,591</b>	<b>97,176</b>	<b>415,959</b>
<b>Total Liabilities, Fund Equity &amp; Other Credits</b>	<b>\$3,153,460</b>	<b>\$579,222</b>	<b>\$247,082</b>	<b>\$431,182</b>

See accompanying notes to the general purpose financial statements

PROPRIETARY FUND	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Total (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$43,333	\$31,723	\$0	\$0	\$536,589
0	0	0	0	2,245,491
0	49,621	0	0	50,229
0	0	0	0	1,160,467
89	230	0	0	10,992
0	0	0	0	93,825
0	1,697	0	0	27,724
0	0	0	0	13,824
6,689	0	0	0	6,808
1,545	0	0	0	34,915
0	0	0	0	48,055
0	0	0	0	316,954
464,172	0	30,103,149	0	30,567,321
(86,859)	0	(5,304,125)	0	(5,390,984)
0	0	0	75,846	75,846
0	0	0	2,504,354	2,504,354
<u>\$428,969</u>	<u>\$83,271</u>	<u>\$24,799,024</u>	<u>\$2,580,200</u>	<u>\$32,302,410</u>
\$0	\$225	\$0	\$0	\$81,361
22,452	9,134	0	0	869,394
5,970	0	0	548,040	567,974
0	0	0	0	13,824
9,129	1,327	0	66,631	237,271
4,015	0	0	0	1,078,785
0	17,022	0	0	17,022
0	0	0	174,750	174,750
0	0	0	55,779	55,779
0	0	0	1,735,000	1,735,000
41,566	27,708	0	2,580,200	4,831,160
0	0	24,799,024	0	24,799,024
421,201	0	0	0	421,201
(33,798)	0	0	0	(33,798)
0	0	0	0	658,691
0	0	0	0	33,370
0	0	0	0	85,697
0	0	0	0	32,307
0	0	0	0	284,647
0	55,563	0	0	1,190,111
<u>387,403</u>	<u>55,563</u>	<u>24,799,024</u>	<u>0</u>	<u>27,471,250</u>
<u>\$428,969</u>	<u>\$83,271</u>	<u>\$24,799,024</u>	<u>\$2,580,200</u>	<u>\$32,302,410</u>



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Washington-Nile Local School District  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Fund Types and Similar Trust Funds  
 For the Fiscal Year Ended June 30, 2000

	GOVERNMENTAL FUND TYPES				FIDUCIARY	Totals
	General Fund	Special Revenue	Debt Service	Capital Projects	FUND TYPE Expendable Trust	(Memorandum Only)
<i>Revenues:</i>						
Intergovernmental	\$7,163,307	\$1,915,006	\$28,251	\$48,577	\$0	\$9,155,141
Interest	181,967	0	0	5,621	1,774	189,362
Tuition and Fees	460,253	0	0	0	0	460,253
Rent	2,000	0	0	0	0	2,000
Extracurricular Activities	0	183,838	0	0	0	183,838
Gifts and Donations	0	0	0	2,234	6,001	8,235
Property & Other Local Taxes	927,091	22,250	155,314	0	0	1,104,655
Miscellaneous	61,221	10,115	0	0	0	71,336
<i>Total Revenues</i>	<u>8,795,839</u>	<u>2,131,209</u>	<u>183,565</u>	<u>56,432</u>	<u>7,775</u>	<u>11,174,820</u>
<i>Expenditures:</i>						
Current:						
Instruction:						
Regular	3,602,633	571,534	0	0	0	4,174,167
Special	758,776	911,100	0	0	0	1,669,876
Vocational	104,906	0	0	0	0	104,906
Other	207,333	0	0	0	8,250	215,583
Support services:						
Pupils	439,205	212,523	0	24,877	0	676,605
Instructional Staff	318,451	233,737	0	0	0	552,188
Board of Education	52,381	0	0	0	0	52,381
Administration	805,987	7,060	0	0	0	813,047
Fiscal	198,227	0	4,208	0	0	202,435
Operation and Maintenance of Plant	935,955	11,004	0	0	0	946,959
Pupil Transportation	699,437	133	0	0	0	699,570
Non-Instructional Services	0	0	0	8,452	0	8,452
Extracurricular activities	96,580	160,857	0	0	0	257,437
Capital Outlay	117,888	2,412	0	286,856	0	407,156
Debt Service						
Principal Retirement	0	0	88,612	0	0	88,612
Interest Payment	0	0	122,359	0	0	122,359
<i>Total Expenditures</i>	<u>8,337,759</u>	<u>2,110,360</u>	<u>215,179</u>	<u>320,185</u>	<u>8,250</u>	<u>10,991,733</u>
Excess of Revenues Over (Under) Expenditures	<u>458,080</u>	<u>20,849</u>	<u>(31,614)</u>	<u>(263,753)</u>	<u>(475)</u>	<u>183,087</u>
<i>Other Financing Sources and (Uses):</i>						
Operating Transfers In	0	59,300	38,781	248,117	0	346,198
Proceeds from Sale of Fixed Assets	458	0	0	0	0	458
Operating Transfers Out	(346,198)	0	0	0	0	(346,198)
<i>Total Other Financing Sources (Uses)</i>	<u>(345,740)</u>	<u>59,300</u>	<u>38,781</u>	<u>248,117</u>	<u>0</u>	<u>458</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>112,340</u>	<u>80,149</u>	<u>7,167</u>	<u>(15,636)</u>	<u>(475)</u>	<u>183,545</u>
Fund Balance at Beginning of Year	1,272,834	249,442	90,009	431,595	56,038	2,099,918
Increase in Reserve for Inventory	1,360	0	0	0	0	1,360
Fund Balance at End of Year	<u>\$1,386,534</u>	<u>\$329,591</u>	<u>\$97,176</u>	<u>\$415,959</u>	<u>\$55,563</u>	<u>\$2,284,823</u>

See accompanying notes to the general purpose financial statements

Washington-Nile Local School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Funds  
 For the Fiscal Year Ended June 30, 2000

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Intergovernmental	\$7,159,061	\$7,153,758	(\$5,303)	\$1,889,974	\$1,888,207	(\$1,767)
Interest	184,244	181,117	(3,127)	0	0	0
Tuition and Fees	456,669	459,670	3,001	0	0	0
Rent	2,000	2,000	0	0	0	0
Extracurricular Activities	0	0	0	186,873	186,961	88
Gifts and Donations	0	0	0	0	0	0
Property & Other Local Taxes	926,845	926,845	0	22,189	22,189	0
Miscellaneous	53,182	51,823	(1,359)	10,175	10,175	0
<b>Total Revenues</b>	<b>8,782,001</b>	<b>8,775,213</b>	<b>(6,788)</b>	<b>2,109,211</b>	<b>2,107,532</b>	<b>(1,679)</b>
<b>Expenditures:</b>						
Instruction:						
Regular	3,672,380	3,607,853	64,527	578,443	511,852	66,591
Special	760,092	737,440	22,652	991,949	907,918	84,031
Vocational	106,522	103,712	2,810	0	0	0
Other	209,362	209,254	108	0	0	0
Support services:						
Pupils	485,612	458,833	26,779	314,414	216,640	97,774
Instructional Staff	337,483	316,193	21,290	294,865	219,201	75,664
Board of Education	67,803	60,866	6,937	0	0	0
Administration	840,290	797,744	42,546	7,067	7,055	12
Fiscal	210,973	204,144	6,829	0	0	0
Operation and Maintenance of Plant	1,107,248	1,031,933	75,315	37,857	23,987	13,870
Pupil Transportation	886,223	847,635	38,588	0	0	0
Central	0	0	0	93	93	0
Non-Instructional Services	0	0	0	0	0	0
Extracurricular activities	139,309	113,648	25,661	167,764	160,165	7,599
Capital Outlay	280,500	250,899	29,601	2,412	2,412	0
Debt Service	0	0	0	0	0	0
Debt Service - Principal	0	0	0	0	0	0
Debt Service - Interest	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>9,103,797</b>	<b>8,740,154</b>	<b>363,643</b>	<b>2,394,864</b>	<b>2,049,323</b>	<b>345,541</b>
Excess of Revenues Over (Under) Expenditures	(321,796)	35,059	356,855	(285,653)	58,209	343,862
<b>Other Financing Sources and (Uses):</b>						
Operating Transfers In	0	0	0	59,440	59,440	0
Proceeds from Sale of Fixed Assets	500	458	(42)	0	0	0
Refund of Prior Year Expenditures	10,700	10,652	(48)	0	0	0
Advances In	25,183	11,359	(13,824)	0	0	0
Other Financing Sources	0	0	0	0	0	0
Operating Transfers Out	(346,198)	(346,198)	0	(140)	(140)	0
Refund of Prior Year Receipts	(9)	(9)	0	(10)	0	10
Advances Out	0	0	0	0	0	0
Other Financing Uses	0	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(309,824)</b>	<b>(323,738)</b>	<b>(13,914)</b>	<b>59,290</b>	<b>59,300</b>	<b>10</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(631,620)	(288,679)	342,941	(226,363)	117,509	343,872
Fund Balances at Beginning of Year	1,688,696	1,688,696	0	296,401	296,401	0
Prior Year Encumbrances Appropriated	247,989	247,989	0	35,660	35,660	0
<b>Fund Balance at End of Year</b>	<b>\$1,305,065</b>	<b>\$1,648,006</b>	<b>\$342,941</b>	<b>\$105,698</b>	<b>\$449,570</b>	<b>\$343,872</b>

See accompanying notes to the general purpose financial statements

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS			EXPENDABLE TRUST FUND		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$28,250	\$28,250	\$0	\$48,877	\$33,960	(\$14,917)	\$0	\$0	\$0
0	0	0	5,609	5,621	12	1,276	1,269	(7)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	2,234	2,234	0	6,008	6,001	(7)
155,322	155,322	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
183,572	183,572	0	56,720	41,815	(14,905)	7,284	7,270	(14)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	9,250	8,250	1,000
0	0	0	131,714	131,571	143	0	0	0
0	0	0	104,026	104,026	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	42,360	42,360	0	0	0	0
4,208	4,208	0	4,328	4,328	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	8,452	8,452	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	694,887	694,256	631	0	0	0
0	0	0	0	0	0	0	0	0
88,792	88,612	180	0	0	0	0	0	0
122,359	122,359	0	0	0	0	0	0	0
215,359	215,179	180	985,767	984,993	774	9,250	8,250	1,000
(31,787)	(31,607)	180	(929,047)	(943,178)	(14,131)	(1,966)	(980)	986
38,781	38,781	0	248,117	248,117	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(1,093)	0	1,093	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	(25,183)	(11,359)	13,824	0	0	0
0	0	0	0	0	0	0	0	0
38,781	38,781	0	221,841	236,758	14,917	0	0	0
6,994	7,174	180	(707,206)	(706,420)	786	(1,966)	(980)	986
77,865	77,865	0	384,051	384,051	0	54,551	54,551	0
0	0	0	336,379	336,379	0	295	295	0
\$84,859	\$85,039	\$180	\$13,224	\$14,010	\$786	\$52,880	\$53,866	\$986

Washington-Nile Local School District  
Statement of Revenues, Expenses  
and Changes in Retained Earnings  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2000

	Enterprise
<i>Operating Revenues:</i>	
Sales	\$285,479
Other Revenues	642
	286,121
<i>Operating Expenses:</i>	
Salaries	181,742
Fringe Benefits	134,441
Purchased Services	1,874
Materials and Supplies	15,851
Cost of Sales	228,659
Depreciation	19,166
Other	236
	581,969
Total Operating Revenues	286,121
Total Operating Expenses	(581,969)
Operating Loss	(295,848)
<i>Non-Operating Revenues:</i>	
Federal Donated Commodities	27,132
Interest	38
Federal and State Subsidies	268,558
	295,728
Total Non-Operating Revenues	295,728
Net Loss	(120)
Retained Earnings at Beginning of Year	(33,678)
Retained Earnings at End of Year	(33,798)
Contributed Capital at Beginning of Year	421,201
Capital Contributions During the Year	0
	421,201
Contributed Capital at End of Year	421,201
Total Fund Equity at End of Year	\$387,403

See accompanying notes to the general purpose financial statements

Washington-Nile Local School District  
Statement of Cash Flows  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2000

	Enterprise
<b><i>Increase (Decrease) in Cash and Cash Equivalents:</i></b>	
<b><u>Cash Flows from Operating Activities:</u></b>	
Cash Received from Customers	\$286,069
Cash Payments to Suppliers for Goods and Services	(219,997)
Cash Payments to Employee Salaries	(200,751)
Cash Payments for Employee Benefits	(138,659)
Net Cash Used for Operating Activities	(273,338)
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>	
Interest Received	38
Operating Grants Received	268,558
Net Decrease in Cash and Cash Equivalents	(4,742)
Cash and Cash Equivalents at Beginning of Year	48,075
Cash and Cash Equivalents at End of Year	\$43,333
<b><u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Operating Loss	(\$295,848)
<b><u>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:</u></b>	
Depreciation	19,166
Donated Commodities Used During Year	27,132
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(52)
(Increase) in Inventory Held for Resale	(790)
(Increase) in Materials and Supplies Inventory	(481)
(Decrease) in Accounts Payable	(82)
Increase in Deferred Revenue	844
(Decrease) in Accrued Wages	(9,669)
(Decrease) in Compensated Absences Payable	(9,327)
(Decrease) in Intergovernmental Payable	(4,231)
Total Adjustments	22,510
Net Cash Used for Operating Activities	(\$273,338)

See accompanying notes to the general purpose financial statements

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 1 - Description of the School District and Reporting Entity**

Washington-Nile Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's four instructional/support facilities staffed by 65 noncertified and 127 certificated full time teaching personnel who provide services to 1,755 students and other community members.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure 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 Washington-Nile 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 for the organization. The School District has no component units.

The following entities which perform activities within the School District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

***Parent Teacher/Booster Associations*** The School District is not involved in the budgeting or management, is not responsible for any debt and has no influence over the organization.

***Washington & Nile Townships*** The Washington and Nile Townships are separate body politic and corporation. The Clerks and Trustees are elected independent of any District relationships and administer the provision of traditional township services. The Board of Trustees acts as the taxing and budgeting authority for these townships services.

The School District is associated with three jointly governed organization, one public insurance purchasing pool. These organizations are discussed in Note 15 to the general purpose financial statements. These organizations are:

Jointly Governed Organization:

- South Central Ohio Computer Association (SCOCA)
- Scioto County Joint Vocational School District
- Scioto County Regional Council of Governments

Public Insurance Purchasing Pool:

- Ohio School Boards Association Workers' Compensation Group Rating Plan

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of Washington-Nile 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 its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

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

**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) 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 for major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

**Enterprise Funds** Enterprise fund is used to account for operations 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.



**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**A. Basis Of Presentation - Fund Accounting** (Continued)

**Fiduciary Fund Types** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. The School District's 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 obligations 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 and expendable trust funds 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.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements 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, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

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

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**B. Measurement Focus and Basis of Accounting** (Continued)

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

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**C. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting.

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal 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.

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

**Estimated Resources** By April 1, 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 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 2000.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**C. Budgetary Data (Continued)**

**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. Any revisions that alter the total of any fund appropriations 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.

**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. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. 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 and reported in the notes to the financial statements for proprietary funds.

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

**D. Cash and Investments**

To improve cash management, all cash received (except for Classroom Facilities and certain Trust Funds) by the School District Treasurer is pooled. Monies for all funds except for the above mentioned exception, 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 STAROhio, federal agency securities, certificates of deposit and commercial paper.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (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.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

***D. Cash and Investments*** (Continued)

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, classroom facilities capital project fund, expendable trust fund, and food service proprietary fund during fiscal year 2000 amounted to \$189,400.

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 presented on the combined balance sheet as "cash and cash equivalent in segregated accounts" since 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 of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

***F. Prepaid Items***

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

***G. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the governmental 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 respective 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 dates received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Improvements are capitalized. 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. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group and the proprietary fund types are depreciated. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Improvements to fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***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 became measurable.

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

**Entitlements**

***General Fund***

State Foundation Program  
School Bus Purchase  
State Property Tax Relief

***Debt Service Fund***

State Property Tax Relief

***Special Revenue Funds***

Disadvantaged Pupil Impact Aid  
Classroom Facilities Maintenance

**Non-Reimbursable Grants**

***Special Revenue Funds***

Title VIB  
Title I  
Title VI  
Title VI-R  
Safe and Drug Free Schools  
OhioReads  
Alternative Schools  
Educational Management Information System  
Professional Development  
Venture Capital  
Goals 2000  
School to Work  
Ohio Javits Project  
Learn and Serve America

***Capital Projects Funds***

SchoolNet  
Technology Equity  
Classroom Facilities  
ADA Grant

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies** (Continued)

**H. Intergovernmental Revenues** (Continued)

***Reimbursable Grants***

***General Fund***

Home Instruction  
Special Education Transportation  
Summer School  
Community Alternative Funding System (CAFS)  
E-Rate

***Proprietary Funds***

National School Breakfast Program  
National School Lunch Program  
Government Donated Commodities

Grants and entitlements received in governmental funds amounted to 82% percent of governmental fund revenue during the 2000 fiscal year.

**I. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

**J. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees after 20 years of current service with the School District and for certified employees and administrators after 20 years of service.

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

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***K. Accrued Liabilities and Long-Term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, 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 expendable available financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources. Bonds, notes and capital leases are recognized 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.

***L. Bond Premiums and Discounts***

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

***M. 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.

***N. Restricted Assets***

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve, bus purchase reserve and textbooks/instructional material reserve. The budget stabilization and textbook/instructional material reserves are required by State statute.

***O. 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.

***P. Fund Balance Reserves***

The School District reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for budget stabilization, textbook/instructional material, bus purchase, encumbrances, inventory and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

***P. Fund Balance Reserves*** (Continued)

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash-basis) was as follows:

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1999	\$ 0	\$ (2,262,796)	\$ 129,677	\$ (2,133,119)
Current Year Set-aside Requirement	\$ 153,409	\$ 153,409	\$ 51,136	\$ 357,954
Current Year Offsets	\$ 0	\$ (274,342)	\$ 0	\$ (274,342)
Qualifying Disbursements	\$ (121,102)	\$ (623,088)	\$ 0	\$ (744,190)
Total	<u>\$ 32,307</u>	<u>\$ (3,006,817)</u>	<u>\$ 180,813</u>	<u>\$ (2,793,697)</u>
Cash Balance Carried Forward to FY 2001	<u>\$ 32,307</u>	<u>\$ (3,006,817)</u>	<u>\$ 180,813</u>	<u>\$ 213,120</u>

Offsets and expenditures for capital activity during the year exceeded the required set-aside and reserve balance. These amounts may be used to reduce set-aside requirements of future years. Negative amounts are presented as being carried forward to the next fiscal year.

***Q. Contributed Capital***

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

Because the District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1993, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.



**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 3 - Accountability and Compliance - Fund Deficits**

At June 30, 2000, the following funds had deficit fund balances which were created by the application of generally accepted accounting principles:

	<u>Deficit Fund Balance/ Retained Earnings</u>
Special Revenue Fund:	
Alternative School	\$ (287)
Enterprise Fund:	
Food Service	\$ (33,798)

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, All Governmental Fund Types and Expendable Trust Funds 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:

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(GAAP basis).
4. Proceeds from and principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
5. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 4 - Budgetary Basis of Accounting** (Continued)

The following tables summarize 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 Funds

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$112,340	\$80,149	\$7,167	(\$15,636)	(\$475)
Revenue Accruals	1,385	(23,538)	7	(14,617)	(505)
Expenditure Accruals	(20,850)	105,049	0	(273,912)	0
Encumbrances	(381,554)	(44,151)	0	(402,255)	0
Budget Basis	<u>(\$288,679)</u>	<u>\$117,509</u>	<u>\$7,174</u>	<u>(\$706,420)</u>	<u>(\$980)</u>

**Note 5 - Deposits and Investments**

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

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

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 accounts, including passbook accounts.

Protection of 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 money 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;

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 5 - Deposits and Investments** (Continued)

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) 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 (STAROhio);
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 moneys available for investment at any one time; and,

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, qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand** At year end, the School District had no undeposited cash on hand.

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 were \$497,149 and the bank balance was \$760,661 of the bank balance:

1. \$218,516 was covered by federal depository insurance; and
2. \$542,145 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 5 - Deposits and Investments (Continued)**

**Investments** The School District's investments are required to be 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 for which the securities 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.

	Category			Carrying Value	Fair Value
	1	2	3		
Fed Home Loan Bonds	\$ 867,282			\$ 867,282	\$ 867,282
Fed Home Mgt Bonds	299,462			299,462	299,462
Fed Nat'l Mgt Bonds	884,572			884,572	884,572
Commercial Paper	194,175			194,175	194,175
STAROhio				<u>406,623</u>	<u>406,623</u>
Total Investments				<u>\$ 2,652,114</u>	<u>\$ 2,652,114</u>

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 Propriety 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 classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash & Cash Equivalents	Investments
GASB Statement 9 Investments of the Cash Management Pool:	\$ 1,097,947	\$ 2,245,491
STAROhio	<u>(406,623)</u>	<u>406,623</u>
GASB Statement 3	<u>\$ 497,149</u>	<u>\$ 2,652,114</u>

**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

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 6 - Property Taxes (Continued)**

Public utility property taxes are assessed on tangible personal property at twenty-five percent of true value (with certain exceptions) and on real property at thirty-five 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 twenty-five percent of true value. The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$44,175,680	87.59 %	\$45,375,070	88.60 %
Public Utility Personal	4,530,500	8.98	4,123,220	8.05
Tangible Personal Property	1,728,760	3.43	1,717,140	3.35
<b>Total</b>	<b>\$50,434,940</b>	<b>100.00 %</b>	<b>\$51,215,430</b>	<b>100.00 %</b>
 Tax rate per \$1,000 of assessed valuation	 \$29.31		 \$29.31	

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 Scioto 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.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000 was \$85,697 and is recognized as revenue. \$71,853 was available to the general fund, special revenue \$1,707 and \$12,137 was available to the debt service fund. At June 30, 1999, \$85,398 was available to the School District. \$71,607 was available to the general fund, \$1,646 special revenue and \$12,145 was available to the debt service fund.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 7 - Receivables**

Receivables at June 30, 2000, consisted of taxes, accounts (fees), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
General Fund:	
Intergovernmental	\$17,379
Total General Fund	17,379
Special Revenue Funds:	
Title I	58,000
OhioWorks First	529
SchoolNet Professional Development	3,000
Total Special Revenue Funds	61,529
Capital Project Fund	
ADA Grant	14,917
Total Capital Project Fund	14,917
Total Intergovernmental Receivables	\$93,825

**Note 8 - Fixed Assets**

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

Furniture and Equipment	\$464,172
Less: accumulated depreciation	(86,859)
Net Fixed Assets	\$377,313

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

	Balance 6/30/99	Additions	Deductions	Balance 6/30/00
Land and Improvements	\$1,616,801	\$26,373	\$0	\$1,643,174
Buildings	23,317,711	148,241	0	23,465,952
Textbooks & Software	955,029	56,184	368,808	642,405
Vehicles	1,038,598	115,586	55,111	1,099,073
Furniture and Equipment	3,070,380	234,177	52,012	3,252,545
Totals	29,998,519	\$580,561	\$475,931	30,103,149
Less Accumulated Depreciation	(4,600,184)			(5,304,125)
Net General Fixed Assets	\$25,398,335			\$24,799,024

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 9 - Risk Management**

***A. 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 National Insurance for commercial property, boiler, commercial crime, commercial inland marine and commercial auto coverage. The boiler coverage is comprehensive with a \$1,000 deductible. The commercial auto coverage has a \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past five years.

Professional liability is protected by The Nationwide Insurance Company with a \$1,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible.

Students, teachers and administrative employees participating in student activities (sports and band) are covered under Guarantee Trust Life Insurance Company. The coverage has a \$1,000 accidental death benefit, \$5,000 maximum dismemberment benefit and \$25,000 maximum medical or dental expense benefits for each accident which the individual's personal insurance does not cover or pay. Students are also covered under a catastrophic policy through the Ohio High School Athletic Association.

Performance bond insurance is through Nationwide Insurance. The coverage is based upon position held in the district. The Superintendent and Board Member positions are covered at \$20,000, the Treasurer position is \$50,000 and other employees whom come into contact with money are insured between \$1,000 - \$10,000 based upon their position.

There have been no significant reductions in insurance coverage from last year.

***B. Employee Medical Benefits***

The School District is a member of the Scioto County Schools Council of Government to provide employee medical/surgical benefits. The Scioto County Schools Council is a public entity risk pool comprised of eleven Scioto County school districts. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in 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 Base Plus coverage.

For fiscal year 2000, the School District's and the employees' premiums were between \$895.84-956.92 and \$61.08-122.16 for family coverage and between \$362.70-366.60 and \$23.40-27.30 for single coverage per employee per month, respectively. Comprehensive coverage costs the School District monthly \$859.00 for family coverage and \$330.00 for single coverage, the employee pays nothing.

Dental insurance is also provided by the School District to all employees through the Scioto County Schools Council of Government. For fiscal year 2000, the School District's cost was \$43.00 for family and single coverage per month. 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. Any remaining money on deposit would be distributed to the participating school districts on a prorated basis.

**Note 10 - Defined Benefit Pension Plans**

***A. State Teachers Retirement System***

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

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 10 - Defined Benefit Pension Plans (Continued)**

**A. State Teachers Retirement System (Continued)**

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Prior to July 1, 1997, the portion used to fund pension obligations was 12 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$682,346, \$644,013, and \$599,270, respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$108,532 represents the unpaid contribution for fiscal year 2000, and 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. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System 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 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. 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 contributions to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were 171,424, \$182,241, and \$148,712, respectively; 57 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$97,237 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

**C. Social Security System**

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, one member of the Board of Education has elected to pay into Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 11 - 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 non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1997, this allocation was increased to 3.5 percent. For the School District, this amount equaled \$23,882 during fiscal 2000.

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



**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
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**Note 11 - Postemployment Benefits (Continued)**

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

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

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, 1999, were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS's net assets available for payment of health care benefits was \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits. For the School District, the amount to fund health care benefits, including the surcharge, equaled \$94,209 during the 2000 fiscal year.

**Note 12 - Other 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 year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days. Upon retirement, payment is made at 25 percent of the employee's accumulated sick leave up to a maximum accumulation of 47 days.

As a further incentive to minimize sick leave use, the Board will pay an additional eight days of bonus retirement pay, beyond the cap of 47 days, if in the year of retirement, the individual has used less than eight days of sick leave and the unit member has the maximum sick leave accumulation of 220 days.

***B. Insurance Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to all full-time employees through insurance administrator CoreSource. The Superintendent receives \$50,000 in coverage and all other administrators receive coverage in the amount of \$35,000. Coverage in the amount of \$25,000 is provided for all other full-time certified and noncertified employees.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 13 - Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2000, were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
<b>General Obligation Debt:</b>				
School Improvement Bonds 1994 5.8% to 6.45%	\$1,795,000	\$0	\$60,000	1,735,000
EPA Assistance Asbestos Note 1992 0.00%	61,091	0	5,312	55,779
Promissory Note - H. B. 264 1997 5.36%	198,050	0	23,300	174,750
<b>Other Long-Term Obligations:</b>				
Compensated Absences	568,500	36,817	57,277	548,040
Intergovernmental Payable	56,568	66,631	56,568	66,631
<b>Total General Long-Term Obligations</b>	<b><u>\$2,679,209</u></b>	<b><u>\$103,448</u></b>	<b><u>\$202,457</u></b>	<b><u>\$2,580,200</u></b>

On July 23, 1997, the School District issued a ten year \$233,000 note for the purpose of implementing energy conservation measures under the provisions of H.B. 264 at the middle school. This note is backed by the full faith and credit of the School District and the note will be repaid with general funds.

On October 7, 1998, the School District was notified by the Ohio School Facilities Commission that the School District's responsibility for repaying the classroom facilities loan had changed upon the approval of a building maintenance plan. In any year in which the School District's adjusted valuation per pupil is less than the state-wide median, no repayment would be required. In lieu of the repayment, the School District would be required to set aside the proceeds of the half-mill levy for facilities repair and maintenance. In any year in which the School District's per pupil valuation increases above the state-wide median, half of the levy proceeds will have to be used to repay the debt with the remaining half used for repairs and maintenance. During 2000 no repayment was required.

Compensated absences will be paid from the fund from which the person is paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the person is paid. EPA Asbestos note and the H. B. 264 Energy Conservation promissory note will be paid from funds transferred from the general fund.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

**Note 13 - Long-Term Obligations** (Continued)

The School District's voted legal debt margin was \$4,609,389 with an unvoted debt margin of \$51,215 at June 30, 2000. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	60,000	108,440	168,440
2002	65,000	104,534	169,534
2003	70,000	100,315	170,315
2004	75,000	95,784	170,784
2005	80,000	90,860	170,860
2006-2010	475,000	373,975	848,975
2011-2015	610,000	203,775	813,775
2016-2017	300,000	20,130	320,130
Total	<u>\$1,735,000</u>	<u>\$1,097,813</u>	<u>\$2,832,813</u>

Principal requirements to retire the asbestos note outstanding at June 30, 2000 are as follows:

Fiscal Year Ending June 30,	Principal
2001	5,312
2002	5,312
2003	5,312
2004	5,312
2005	5,312
2006-2011	29,219
Total	<u>\$55,779</u>

Principal and interest requirements to retire the H.B. 264 Energy Conservation promissory note outstanding at June 30, 2000 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	23,300	8,936	32,236
2002	23,300	7,704	31,004
2003	23,300	6,471	29,771
2004	23,300	5,238	28,538
2005	23,300	4,006	27,306
2005-2008	58,250	4,622	62,872
Total	<u>\$174,750</u>	<u>\$36,977</u>	<u>\$211,727</u>

**Note 14 - Debt Service Fund**

Equity in pooled cash and cash equivalents in the Debt Service Fund is shown on the Combined Balance Sheet as \$85,039. The amount available in the Debt Service Fund for retirement of general obligation bonds is shown as \$75,846. The difference, \$9,193 represents accrued interest on the bonds at June 30, 2000.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 15 - Jointly Governed Organizations and Public Insurance Purchasing Pools**

**A. Jointly Governed Organizations**

*South Central Ohio Computer Association* - The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Jackson, Brown, Ross, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county elected by majority vote of all charter member school districts within each county, two treasurers elected by majority vote of all charter member school districts, and one representative from the fiscal agent. The School District paid \$8,729 for services provided during the year. Financial information can be obtained from their fiscal agent, Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

*Scioto County Joint Vocational School* - The Scioto County Joint 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 county school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Scioto County Joint Vocational School, at P.O. Box 766, Lucasville, Ohio 45648.

*Scioto County Regional Council of Governments* - The Scioto County Regional Council of Governments, a public entity risk pool, currently operates to provide health insurance coverage to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Several Scioto County school districts have entered into an agreement with the Scioto County Educational Service Center to form the Scioto County Regional Council of Governments. The overall objectives of the council are to formulate and administer a program of health insurance for the benefit of the council members' employees and their dependents, to obtain lower costs for health coverage, and to secure cost control by implementing a program of comprehensive loss control. The Scioto County Regional Council of Governments, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board of Directors, consisting of superintendents from the participating school districts. Accordingly, the Scioto County Regional Council of Governments is not part of the District and its operations are not included as part of the reporting entity. To obtain financial information, write to the South Central Ohio Educational Service Center at 411 Fourth Street, Portsmouth, Ohio 45662.

**B. Insurance Purchasing Pool**

*Ohio School Boards Association Workers' Compensation Group Rating Plan* - The School District participates in the Ohio School Boards Association Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the 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. To obtain financial information, write to the Ohio School Boards Association at 8050 North High Street, Columbus, Ohio 43235-6482.

**Note 16 - 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 that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. During fiscal year ended June 30, 2000, the School District received \$6,819,796 of school foundation support for its general fund.

The Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total of \$19,463,065 under this program.

**Washington-Nile Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 16 - State School Funding Decision (Continued)**

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 17 - Contingencies**

**A. Grants**

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

**B. Litigation**

The School District is not a party to any legal proceedings at this time.

**Note 18 - Contractual Commitments**

As of June 30, 2000 the District had contracted with the following contractors to construct the High School Field House:

Company	Contract	Amount Remaining on Contract
LMC Construction, Inc.	General	\$ 301,725
West End Electric, Inc	Electrical	55,000
Mechanical Construction, Inc.	Plumbing	66,427
General Heating & Air Conditioning Inc.	HVAC	66,580

As of June 30, 2000 the District had contracted with the following contractors to construct the High School Field House:

Company	Amount Remaining on Contract
Cunningham Asphalt	\$ 65,000
Current Surfaces	99,803

Washington-Nile Local School District  
Scioto County

Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2000

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	In-Kind Receipts	Disbursements	In-Kind Disbursements
<b>United States Department of Agriculture/</b>						
<i>Passed through the Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution Program	NA	10.550	\$0	\$28,728	\$0	\$27,132
National School Breakfast Program	049650 05-PU	10.553	53,231	0	53,231	0
National School Lunch Program	049650 04-PU	10.555	195,624	0	195,624	0
<b>Total United States Department of Agriculture - Nutrition Cluster</b>			248,855	28,728	248,855	27,132
<b>United States Department of Labor</b>						
<i>Passed through the Department of Education</i>						
Appalachian Vocational & Other Educational School to Work	049650 WK-BE	17.249	0	0	5,000	0
<i>Passed through Shawnee State University</i>						
Appalachian Vocational & Other Educational School to Work	NA	17.249	4,908	0	6,883	0
<b>Total United States Department of Labor</b>			4,908	0	11,883	0
<b>United States Department of Health &amp; Human Services</b>						
<i>Passed through State Board of MRDD</i>						
Community Alternative Fund System	NA	93.778	19,215	0	19,215	0
<b>Total United States Department of Health &amp; Human Services</b>			19,215	0	19,215	0
<b>United States Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
Title 1 Grants to Local Educational Agencies	049650 C1-S1	84.010	758,605	0	749,129	0
Title VIB Special Education - Grants to States	049650 6B-SF	84.027	105,255	0	99,483	0
Safe & Drug Free Schools	049650 DR-S1	84.186	21,425	0	21,425	0
Eisenhower Professional Development Program	049650 MS-S1	84.281	29,444	0	23,135	0
Innovative Education Program Strategies	049650 C2-S1	84.298	13,749	0	15,207	0
Reading Excellence	049650 RN-S2	84.338	8,485	0	0	0
Title VI-R Grant 1999-2000	049650 CR-S1	84.340	88,652	0	87,118	0
Total Passed through the Ohio Department of Education			1,025,615	0	995,497	0
<i>Passed through Franklin County Educational Service Center</i>						
Ohio Javits Project	NA	84.206	1,500	0	1,488	0
<b>Total United States Department of Education</b>			1,027,115	0	996,985	0
<b>Corporation for National and Community Service</b>						
<i>Passed through Ohio Department of Education</i>						
Learn & Serve America	049650 SV-S2	94.004	3,000	0	3,000	0
<b>Total Corporation for National and Community Service</b>			3,000	0	3,000	0
<b>Total Federal Financial Assistance</b>			\$1,303,093	\$28,728	\$1,279,938	\$27,132

NA - No pass through entity number was available.

See Notes to the Schedule of Federal Awards Expenditures

**WASHINGTON-NILE LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY, OHIO**

*Notes to Schedule of Federal Awards Expenditures  
For the Fiscal Year Ended June 30, 2000*

NOTE A - - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - - FOOD DISTRIBUTIONS

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

NOTE C - - LOANS OUTSTANDING

Program Title	Federal CFDA Number	Amount Outstanding
Asbestos School Hazard Abatement Reauthorization Act of 1990	66.XXX	\$55,779

**MICHAEL A. BALESTRA, CPA, INC.**  
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Ohio Society of Certified Public Accountants

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

Members of the Board  
Washington-Nile Local School District  
15332 U.S. Highway 52  
West Portsmouth, Ohio 45663

We have audited the financial statements of Washington-Nile Local School District, as of and for the year ended June 30, 2000, and have issued our report thereon dated October 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Washington-Nile Local School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, 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 Washington-Nile Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over the financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation 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 weakness.



Members of the Board

Washington-Nile Local School District

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

Page 2

This report is intended for the information of the audit committee, management, members of the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michael A. Balestra, CPA, Inc.*

Michael A. Balestra, CPA, Inc.

October 11, 2000

**MICHAEL A. BALESTRA, CPA, INC.**  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Board  
Washington-Nile Local School District  
15332 U.S. Highway 52  
West Portsmouth, Ohio 45663

**Compliance**

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

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

In our opinion, Washington-Nile Local School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

**Internal Control Over Compliance**

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

Members of the Board

Washington-Nile Local School District

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

Page 2

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

This report is intended for the information of the audit committee, management, members of the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Michael A. Balestra, CPA, Inc.*

Michael A. Balestra, CPA, Inc.

October 11, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505

WASHINGTON-NILE LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY, OHIO  
JUNE 30, 2000

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Title I CFDA # 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505

WASHINGTON-NILE LOCAL SCHOOL DISTRICT  
SCIOTO COUNTY  
JUNE 30, 2000

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

Finding Number	None
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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	



STATE OF OHIO  
OFFICE OF THE AUDITOR

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WASHINGTON-NILE LOCAL SCHOOL DISTRICT

SCIOTO 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  
NOVEMBER 16, 2000