



**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Columbus Grove Local School District
Putnam County
201 West Cross Street
Columbus Grove, Ohio 45830-1299

To the Board of Education:

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Grove Local School District, Putnam County, as of June 30, 2000, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Jim Petro
Auditor of State

January 29, 2002

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**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	Governmental Fund Types		
	General	Special Revenue	Debt Service
ASSETS AND OTHER DEBITS			
Assets:			
Equity in pooled cash and cash equivalents	\$799,622	\$79,808	\$384,011
Cash with fiscal agent		4,255	
Receivables:			
Property taxes - current and delinquent	1,656,727		201,784
Accounts	141	1,432	
Accrued interest	11,042	116	
Interfund loan receivable	114,600		
Due from other governments	750		
Prepayments	9,811		
Materials and supplies inventory			
Restricted assets:			
Equity in pooled cash and cash equivalents	261,546		
Property, plant and equipment (net of accumulated depreciation where applicable)			
Other debits:			
Amount available in Debt Service Fund			
Amount to be provided for retirement of General Long-Term Obligations			
Total assets and other debits	\$2,854,239	\$85,611	\$585,795

Governmental Fund Type	Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
Capital Projects	Enterprise	Trust and Agency			
\$156,581	\$54,145	\$29,625			\$1,503,792 4,255
46,483					1,904,994 1,573
	345				11,503 114,600 750
	5,937				9,811 5,937
					261,546
	76,797		\$8,508,361		8,585,158
				\$401,312	401,312
				1,231,898	1,231,898
\$203,064	\$137,224	\$29,625	\$8,508,361	\$1,633,210	\$14,037,129

(Continued)

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	Governmental Fund Types		
	General	Special Revenue	Debt Service
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts payable	\$57,502	\$247	
Accrued wages and benefits	447,338	15,805	
Compensated absences payable	3,883		
Pension obligation payable	65,546	1,630	
Interfund loan payable			
Deferred revenue	1,313,881		\$184,483
Due to other governments			
Due to students			
Undistributed monies			
General obligation bonds payable			
Total liabilities	1,888,150	17,682	184,483
Equity and other credits:			
Investment in general fixed assets			
Retained earnings: unreserved			
Fund balances:			
Reserved for encumbrances	56,482	6,056	
Reserved for prepayments	9,811		
Reserved for debt service			384,011
Reserved for tax revenue unavailable for appropriation	88,031		17,301
Reserved for instructional materials	99,045		
Reserved for capital maintenance	71,088		
Reserved for budget stabilization	91,413		
Unreserved-undesignated	550,219	61,873	
Total equity and other credits	966,089	67,929	401,312
Total liabilities, equity and other credits	\$2,854,239	\$85,611	\$585,795

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

Governmental Fund Type	Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
			General Fixed Assets	General Long-Term Obligations	
Capital Projects	Enterprise	Trust and Agency			
	\$175				\$57,924
	12,312				475,455
	3,694			\$238,561	246,138
	6,523			44,649	118,348
\$96,600	18,000				114,600
43,337	2,868				1,544,569
		\$180			180
		23,935			23,935
		1,510			1,510
				1,350,000	1,350,000
139,937	43,572	25,625		1,633,210	3,932,659
			\$8,508,361		8,508,361
	93,652				93,652
41,659					104,197
					9,811
					384,011
3,146					108,478
					99,045
					71,088
					91,413
18,322		4,000			634,414
63,127	93,652	4,000	8,508,361		10,104,470
\$203,064	\$137,224	\$29,625	\$8,508,361	\$1,633,210	\$14,037,129

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Revenues:		
From local sources:		
Taxes	\$1,841,527	
Tuition	17,005	
Earnings on investments	95,857	\$999
Extracurricular activity		122,991
Other local revenues	19,549	95,514
Other revenue	250	
Intergovernmental - State	2,754,411	184,570
Intergovernmental - Federal		117,803
Total revenue	<u>4,728,599</u>	<u>521,877</u>
Expenditures:		
Current:		
Instruction:		
Regular	2,219,268	20,088
Special	248,539	102,836
Vocational	80,666	
Other	65	1,610
Support services:		
Pupil	121,945	29,629
Instructional staff	76,230	12,887
Board of Education	13,916	
Administration	545,774	5,994
Fiscal	154,714	4,151
Operations and maintenance	375,126	
Pupil transportation	272,926	1,041
Central	26,730	2,955
Community services	21,177	92,438
Extracurricular activities	123,172	127,802
Facilities services	74,350	191,132
Debt service:		
Principal retirement		
Interest and fiscal charges		
Total expenditures	<u>4,354,598</u>	<u>592,563</u>
Excess of revenues over (under) expenditures	<u>374,001</u>	<u>(70,686)</u>
Other financing sources (uses):		
Operating transfers in	1,568	16,525
Operating transfers out	(16,525)	(1,568)
Proceeds from sale of assets	1,230	643
Total other financing sources (uses)	<u>(13,727)</u>	<u>15,600</u>
Excess of revenues and other financing sources over (under) expenditures and other financing (uses)	360,274	(55,086)
Fund balance, July 1	<u>605,815</u>	<u>123,015</u>
Fund balance, June 30	<u>\$966,089</u>	<u>\$67,929</u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Total (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
\$237,854	\$41,326		\$2,120,707
			17,005
			96,856
			122,991
			115,063
			250
29,360	83,426		3,051,767
			117,803
<u>267,214</u>	<u>124,752</u>		<u>5,642,442</u>
	14,804		2,254,160
			351,375
			80,666
			1,675
			151,574
			89,117
			13,916
			551,768
6,041	1,065		165,971
			375,126
			273,967
			29,685
		\$1,000	114,615
			250,974
	107,743		373,225
125,000			125,000
91,813			91,813
<u>222,854</u>	<u>123,612</u>	<u>1,000</u>	<u>5,294,627</u>
<u>44,360</u>	<u>1,140</u>	<u>(1,000)</u>	<u>347,815</u>
	43,400		61,493
	(43,400)		(61,493)
			1,873
			1,873
44,360	1,140	(1,000)	349,688
356,952	61,987	5,000	1,152,769
<u>\$401,312</u>	<u>\$63,127</u>	<u>\$4,000</u>	<u>\$1,502,457</u>

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	General		Variance: Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
From local sources:			
Taxes	\$1,808,691	\$1,808,691	
Tuition	17,005	17,005	
Earnings on investments	86,883	86,883	
Extracurricular Activities			
Other local revenues	25,499	25,499	
Other revenue	250	250	
Intergovernmental - State	2,753,961	2,753,961	
Intergovernmental - Federal			
Total revenues	<u>4,692,289</u>	<u>4,692,289</u>	
Expenditures:			
Current:			
Instruction:			
Regular	2,227,132	2,227,132	
Special	244,103	244,103	
Vocational	82,642	82,642	
Other	65	65	
Support services:			
Pupil	124,270	124,270	
Instructional staff	86,377	86,377	
Board of Education	13,910	13,910	
Administration	547,347	547,347	
Fiscal	154,587	154,587	
Operations and maintenance	375,547	375,547	
Pupil transportation	271,803	271,803	
Central	24,897	24,897	
Community services	21,177	21,177	
Extracurricular activities	127,444	127,444	
Facilities services	77,760	77,760	
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>4,379,061</u>	<u>4,379,061</u>	
Excess of revenues over (under) expenditures	<u>313,228</u>	<u>313,228</u>	
Other financing sources (uses):			
Refund of prior year's expenditures	948	948	
Operating transfers in	1,568	1,568	
Operating transfers (out)	(16,525)	(16,525)	
Advances in	113,182	113,182	
Advances (out)	(114,600)	(114,600)	
Proceeds of sale of fixed assets	1,230	1,230	
Total other financing sources (uses)	<u>(14,197)</u>	<u>(14,197)</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing (uses)	299,031	299,031	
Fund balances, July 1	575,777	575,777	
Prior year encumbrances appropriated	72,377	72,377	
Fund balances, June 30	<u>\$947,185</u>	<u>\$947,185</u>	

Special Revenue			Debt Service		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
			\$236,800	\$236,800	
\$905	\$905				
122,991	122,991				
94,393	94,393				
184,569	184,569		29,360	29,360	
55,434	55,434				
458,292	458,292		266,160	266,160	
18,131	18,131				
50,467	50,467				
28,595	28,595				
5,001	5,001				
5,994	5,994		6,041	6,041	
4,151	4,151				
2,954	2,954				
99,996	99,996				
129,847	129,847				
191,132	191,132				
			125,000	125,000	
			91,813	91,813	
536,268	536,268		222,854	222,854	
(77,976)	(77,976)		43,306	43,306	
273	273				
16,525	16,525				
(1,568)	(1,568)				
(79,250)	(79,250)				
643	643				
(63,377)	(63,377)				
(141,353)	(141,353)		43,306	43,306	
205,721	205,721		340,705	340,705	
9,138	9,138				
\$73,506	\$73,506		\$384,011	\$384,011	

(Continued)

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	Capital Projects		Variance: Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
From local sources:			
Taxes	\$41,231	\$41,231	
Tuition			
Earnings on investments			
Extracurricular Activities			
Other local revenues			
Other revenue			
Intergovernmental - State	102,357	102,357	
Intergovernmental - Federal			
Total revenues	<u>143,588</u>	<u>143,588</u>	
Expenditures:			
Current:			
Instruction:			
Regular	14,804	14,804	
Special			
Vocational			
Other			
Support services:			
Pupil			
Instructional staff			
Board of Education			
Administration			
Fiscal	1,065	1,065	
Operations and maintenance			
Pupil transportation			
Central			
Community services			
Extracurricular activities			
Facilities services	149,402	149,402	
Debt service:			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>165,271</u>	<u>165,271</u>	
Excess of revenues over (under) expenditures	<u>(21,683)</u>	<u>(21,683)</u>	
Other financing sources (uses):			
Refund of prior year's expenditures			
Operating transfers in	43,400	43,400	
Operating transfers (out)	(43,400)	(43,400)	
Advances in	96,600	96,600	
Advances (out)	(18,931)	(18,931)	
Proceeds of sale of fixed assets			
Total other financing sources (uses)	<u>77,669</u>	<u>77,669</u>	
Excess of revenues and other financing sources over (under) expenditures and other financing (uses)	55,986	55,986	
Fund balances, July 1	58,936	58,936	
Prior year encumbrances appropriated			
Fund balances, June 30	<u>\$114,922</u>	<u>\$114,922</u>	

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

Total (Memorandum only)

Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$2,086,722	\$2,086,722	
17,005	17,005	
87,788	87,788	
122,991	122,991	
119,892	119,892	
250	250	
3,070,247	3,070,247	
55,434	55,434	
5,560,329	5,560,329	
2,260,067	2,260,067	
294,570	294,570	
82,642	82,642	
65	65	
152,865	152,865	
91,378	91,378	
13,910	13,910	
553,341	553,341	
165,844	165,844	
375,547	375,547	
271,803	271,803	
27,851	27,851	
121,173	121,173	
257,291	257,291	
418,294	418,294	
125,000	125,000	
91,813	91,813	
5,303,454	5,303,454	
256,875	256,875	
1,221	1,221	
61,493	61,493	
(61,493)	(61,493)	
209,782	209,782	
(212,781)	(212,781)	
1,873	1,873	
95	95	
256,970	256,970	
1,181,139	1,181,139	
81,515	81,515	
\$1,519,624	\$1,519,624	

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	Enterprise
Operating revenues:	
Tuition and fees	\$24,678
Sales/charges for services	159,704
Total operating revenues	184,382
Operating expenses:	
Personal services	98,620
Contract services	5,031
Materials and supplies	119,306
Depreciation	4,343
Total operating expenses	227,300
Operating loss	(42,918)
Nonoperating revenues:	
Operating grants	31,830
Federal commodities	12,900
Interest revenue	2,995
Total nonoperating revenues	47,725
Net income	4,807
Retained earnings, July 1	88,845
Retained earnings, June 30	\$93,652

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

	Enterprise
Cash flows from operating activities:	
Cash received from tuition and fees	\$24,798
Cash received from sales/service charges	159,728
Cash payments for personal services	(99,057)
Cash payments for contract services	(4,856)
Cash payments for supplies and materials	(109,404)
	(28,791)
Net cash used in operating activities	(28,791)
Cash flows from noncapital financing activities:	
Cash received from operating grants	31,830
Cash received from interfund loans	18,000
Cash payments used in repayment of interfund loans	(15,000)
	34,830
Net cash provided by noncapital financing activities	34,830
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(405)
	(405)
Cash flows from investing activities:	
Interest received	2,715
	2,715
Net increase in cash and cash equivalents	8,349
Cash and cash equivalents at beginning of year.	45,796
	54,145
Cash and cash equivalents at end of year	\$54,145
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	(\$42,918)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	4,343
Federal donated commodities	12,900
Changes in assets and liabilities:	
Increase in supplies inventory	(92)
Decrease in accounts receivable	144
Decrease in accounts payable	(2,742)
Increase in accrued wages and benefits	1,393
Increase in compensated absences payable	124
Decrease in pension obligation payable	(1,954)
Increase in deferred revenue	11
	(28,791)
Net cash used in operating activities	(\$28,791)

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

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**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

1. DESCRIPTION OF THE SCHOOL DISTRICT

Columbus Grove Local School District (the District) is located in Northwestern Ohio and encompasses all of the Village of Columbus Grove, and portions of surrounding townships. The majority of the District is in Putnam County, but a small part is located in Allen County.

The District was organized in accordance with Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates 1 elementary school, 1 middle school, and 1 comprehensive high school. The District employs 31 non-certified and 61 certified (including administrative) full-time and part-time employees to provide services to approximately 859 students in grades K through 12 and various community groups, which ranks it 530 out of approximately 611 school districts in Ohio.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. The Reporting Entity

The District's reporting entity has been defined in accordance with GASB Statement No. 14, The Financial Reporting Entity, effective for financial statements for periods beginning after December 15, 1992. A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units. The following organizations described due to their relationship to the District.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Area Computer Services Cooperative

The School District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC) which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, and Van Wert counties, and the cities of St. Marys and Wapakoneta. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of NOACSC consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent school district. The School District paid NOACSC \$6,870 for services provided during the year. Financial information can be obtained from Michael Wildermuth, who serves as director, at 645 South Main Street, Lima, Ohio 45804.

Apollo Joint Vocational School

The Apollo Joint Vocational School District (the JVS) is a distinct political subdivision of the State of Ohio established under Section 3313.90. The JVS operates under the direction of a Board of Education consisting of one representative from each of the participating school district's elected boards. The Board possesses its own budgeting and taxing authority. Financial information is available from the JVS's Treasurer, at 3325 Shawnee Road, Lima, Ohio 45806.

The District is also a participant in two insurance group purchasing pools, discussed in Note 11.

B. Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: Governmental, Proprietary and Fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

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

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

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

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

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

Capital Projects 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 and Trust Funds).

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

Trust and Agency Funds - These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, or have a measurement focus.

ACCOUNT GROUPS

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

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

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

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C. Measurement Focus/Basis of Accounting

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

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

The modified accrual basis of accounting is followed for Governmental funds, Expendable Trust funds, and Agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is sixty days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition, grants and entitlements (to the extent they are intended to finance the current fiscal year), and accounts (student fees and rent). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year-end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with Ohio Revised Code § 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end.

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

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exceptions: general long-term obligation principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in Governmental funds.

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

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D. Budgets

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. The specific timetable for fiscal year 2000 is as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Putnam County Budget Commission for tax rate determination.
3. Prior to 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 District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate issued for fiscal year 2000.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than Agency funds, are legally required to be budgeted and appropriated. Short-term interfund loans are not required to be budgeted since they represent a temporary cash flow resource, and are intended to be repaid. The Eisenhower, Title VI-B Preschool, Title VI-B School Age, and Drug Free Schools Special Revenue funds are flow through grants for which the Putnam County Educational Service Center is the primary recipient. Budgetary information for these funds is not included within the District's reporting entity, for which the "appropriated budget" is adopted, and the District does not maintain separate budgetary records.
6. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

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7. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All departments/functions and funds completed the year within the amount of their legally authorized cash basis appropriation.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2000 in the following amounts:

	<u>Increase</u>	<u>Decrease</u>
General Fund	\$35,678	
Special Revenue Funds	25,951	
Debt Service Fund		\$(961)
Capital Projects Funds		(181,129)
Enterprise Funds		(8,846)
Expendable Trust Fund		(4,559)
Total	<u>\$61,629</u>	<u>\$(195,495)</u>

9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is utilized with District funds in the normal course of operations, for purchase orders and contract-related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types, encumbrances outstanding at year-end appear as a reservation of fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note 15 provides a reconciliation of the budgetary basis and GAAP basis of accounting. Encumbrances for Enterprise funds are reported in Note 12.

E. Cash and Investments

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

During 2000, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000. Under existing Ohio statutes all investment earnings are assigned to the General Fund except for those specifically related to the Auxiliary Services fund and the Food Service fund, in accordance

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with Board policy. Interest revenue credited to the General fund during fiscal 2000 totaled \$95,857, which included \$40,865 assigned from other funds of the District.

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

F. Inventory

Inventories of Proprietary funds are valued at the lower of cost (first-in/first-out method) or market and expensed when used rather than when purchased.

G. Prepays

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

H. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$100 and a useful life of less than one year. 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. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District has not included infrastructure in the General Fixed Asset Account Group.

2. Proprietary Funds

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

<u>Asset</u>	<u>Life (years)</u>
Buildings	25-50
Furniture, Fixtures and Minor Equipment	5-20

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I. Intergovernmental Revenues

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

Entitlements

General Fund
State Foundation Program
State Property Tax Relief
School Bus Purchase

Special Revenue Fund
Disadvantage Pupil Impact Aid

Debt Service Fund
State Property Tax Relief

Capital Projects Fund
State Property Tax Relief

Reimbursable Grants

General Fund
Driver Education

Proprietary
National School Lunch Program
National School Milk Program
Government Donated Commodities

Non-Reimbursable Grants

Special Revenue Funds
Teacher Development
Management Information Systems
Safe School Help Line
Ohio Reads
Auxiliary Services
Eisenhower Grant
Title I
Title VI-B Preschool
Title VI-B School Age
Title VI
Drug-Free Schools

Capital Projects Fund
Emergency Building Repairs

Grants and entitlements amounted to over 54% of the District's operating revenue during the 2000 fiscal year.

J. Compensated Absences

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

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

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balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service; or twenty (20) years' service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

Accumulated vacation and severance of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and sick leave for employees meeting the above requirements who are paid from Proprietary funds is recorded as an expense when earned.

K. Long-Term Obligations

In general, Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, contractually required pension contributions, and special death benefits that will be paid from Governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the General Long-Term Obligations Account Group until due.

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

L. Fund Equity

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, debt service, prepaids, tax revenue unavailable for appropriation, budget stabilization, capital maintenance, and instructional materials. The reserve for property taxes represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The unreserved portions of fund equity reflected for the Governmental funds are available for use within the specific purposes of those funds.

M. Short-Term Interfund Receivables/Payables

At June 30, 2000 the District had short-term interfund loans which are classified as "interfund loans receivable/payable". All such short-term interfund loans are made pursuant to Board resolution and are repaid in the following fiscal year. An analysis of interfund balances is reflected in Note 5.

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N. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not report transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans made pursuant to Board of Education Resolution are reflected as "interfund loans receivable or payable." Such interfund loans are repaid in the following fiscal year.
4. Quasi-external transactions are similar to the purchase of goods or services from a vendor; i.e., the fund which provides a service records revenue, and the fund which receives that service records an expenditure/expense.
5. Residual equity transfers are non-recurring or non-routine permanent transfers of equity, generally made when a fund is closed.
6. Long-term interfund loans that will not be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources.

An analysis of the District's interfund transactions for fiscal year 2000 is presented in Note 5.

O. Statutory Reserves

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

	<u>Instructional Materials Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Balance, 7/1/99	\$4,023	\$7,076	\$50,014	\$61,113
Required Set-Aside	125,000	125,000	41,399	291,399
Offset Credits	(3,661)	(40,000)		(43,661)
Qualifying Expenditures	<u>(26,317)</u>	<u>(20,988)</u>	_____	<u>(47,305)</u>
Balance 6/30/00	<u>\$ 99,045</u>	<u>\$ 71,088</u>	<u>\$91,413</u>	<u>\$261,546</u>

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A schedule of the restricted assets at June 30, 2000 follows:

Amount restricted for budget stabilization	\$ 91,413
Amount restricted for capital maintenance	71,088
Amount restricted for instructional materials	<u>99,045</u>
Total restricted assets	<u>\$261,546</u>

P. Statement of Cash Flows

In September 1989, the Governmental Accounting Standards Board (GASB) issued Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting. The District has presented a statement of cash flows for its Enterprise funds. For purposes of the statement of cash flows, the District considers cash equivalents to include all short term investments (maturity of 90 days or less from date of purchase) and investments of the District's cash management pool.

Q. Financial Reporting for Proprietary and Similar Fund Types

The District's financial statements have been prepared in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting. This Statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. Restricted Assets

Restricted assets in the General fund represent cash and cash equivalents set aside to establish a budget stabilization and other reserves. These reserves are required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction and/or for statutorily-specified purposes. Fund balance reserves have also been established. See Note 2. O. for statutory reserves.

S. 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.

T. Memorandum Only - Total Columns

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

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3. ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balance/Retained Earnings

Fund balances/retained earnings at June 30, 2000 included the following individual fund deficits:

	<u>Deficit Fund Balance/Retained Earnings</u>
<u>Special Revenue Funds</u>	
Management Information Systems	\$ (22)
Disadvantaged Pupil Impact Aid	(51)
Teacher Development	(13)
Title I	(4,978)
 <u>Enterprise Fund</u>	
Uniform School Supplies	(3,446)

These funds complied with Ohio statute, which does not permit a cash basis deficit at year end. These GAAP-basis deficits will be funded by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys 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;

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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 (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash with Fiscal Agent: At year end, \$4,255 was on deposit with the District's fiscal agent for pass-through grants and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents".

Cash on Hand: At year end, the District had \$500 in undeposited cash on hand which is included on the combined balance sheet as part of "Equity in Pooled Cash and Cash Equivalents".

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

Deposits: At year-end the carrying amount of the District's deposits was \$87,443 and the bank balance was \$132,404. Of the bank balance:

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1. \$100,000 was covered by federal deposit insurance.
2. \$32,404 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed with all deposits covered by specific securities issued by the financial institution, noncompliance with federal requirements could potentially subject the District held to a successful claim by the FDIC.

Investments: The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the 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 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 District's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Fair Value
Not Subject to Categorization:	
Investment in State Treasurer's Investment Pool	\$1,681,650
Total Investments	\$1,681,650

The classification of cash and cash equivalents, and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, entitled, Reporting Cash Flows of Proprietary and Nonexpendable 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 balance sheet per GASB Statement No. 9 and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$ 1,765,338	
Investments of the Cash Management Pool:		
State Treasurer's Investment Pool	(1,681,650)	\$1,681,650
Cash on Hand	(500)	
Cash with Fiscal Agent	4,255	
GASB Statement No. 3	\$ 87,443	\$1,681,650

5. INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2000, consist of the following individual interfund loans receivable and/or payable:

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	<u>Interfund Loans Receivable</u>	<u>Interfund Loans (Payable)</u>
<u>General Fund</u>	\$114,600	
<u>Capital Projects Fund</u>		
Classroom Facilities		\$ (96,600)
<u>Enterprise Fund</u>		
Uniform School Supplies	_____	(18,000)
Total All Fund Types	<u>\$114,600</u>	<u>\$(114,600)</u>

- B.** The following is a summarized breakdown of the District's operating transfers for fiscal year 2000:

	<u>Transfers In</u>	<u>Transfers (Out)</u>
General Fund	\$ 1,568	\$(16,525)
<u>Special Revenue Funds</u>		
Track Grant	16,525	(1,568)
<u>Capital Projects Funds</u>		
Permanent Improvement		(43,400)
Handicapped Access	43,400	_____
Totals	<u>\$61,493</u>	<u>\$(61,493)</u>

6. PROPERTY TAXES

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

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

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

Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. The first \$10,000 of assessed value is exempt from taxation. The District receives a state subsidy in lieu of tax revenue which would otherwise have been collected.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

The assessed values upon which the fiscal year 2000 taxes were collected were as follows:

	1999 Second-Half Collections		2000 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$43,011,030	88.77	\$52,875,990	90.27
Public Utility Personal	3,912,500	8.08	4,146,140	7.08
Tangible Personal Property	1,527,780	3.15	1,554,014	2.65
	<u>\$48,451,310</u>	<u>100.00</u>	<u>\$58,576,144</u>	<u>100.00</u>

Tax rate per \$1,000 of assessed valuation:

Operations	\$28.00	\$28.00
Debt Service	4.40	4.20
Permanent Improvements	1.00	1.00

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

The Putnam County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue.

Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2000, are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with Ohio Revised Code § 5705.35, since an advance of revenue was not requested or received prior to the fiscal year-end. Available tax advances at June 30, 2000 totaled \$88,031 in the General fund, \$17,301 in the Debt Service fund, and \$3,146 in the Capital Projects Permanent Improvements fund.

7. SCHOOL DISTRICT INCOME TAX

The School District levies a voted tax of .75% for general operations on the income of residents and of estates. The tax was effective January 1, 1996, for a five year period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and totaled \$665,648 for fiscal 2000.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

8. RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts (rent and student fees) and intergovernmental grants and entitlements (to the extent that such grants and entitlements relate to the current year). 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 grants.

A summary of the principal items of receivables follows:

	<u>Amounts</u>
<u>General Fund</u>	
Taxes - Current and Delinquent	\$1,656,727
Accrued interest	11,042
 <u>Special Revenue Fund</u>	
Accounts	1,432
 <u>Debt Service Fund</u>	
Taxes - Current and Delinquent	201,784
 <u>Capital Projects Fund</u>	
Taxes - Current and Delinquent	46,483

9. FIXED ASSETS

The following changes occurred in the General Fixed Assets Account Group during the year:

	<u>Balance July 1, 1999</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2000</u>
Land/Improvements	\$ 29,169	\$228,319		\$ 257,488
Buildings	5,565,726	117,974		5,683,700
Furniture/Equipment	1,891,316	56,428	\$ (6,980)	1,940,764
Vehicles	592,532	79,697	(45,820)	626,409
Construction in Progress	13,019	174,846	(187,865)	
Total	<u>\$8,091,762</u>	<u>\$657,264</u>	<u>\$(240,665)</u>	<u>\$8,508,361</u>

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

Furniture and Equipment	\$116,732
Less: Accumulated Depreciation	<u>(39,935)</u>
Net Fixed Assets	<u>\$ 76,797</u>

10. LONG-TERM DEBT

All current general obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

District are accounted for in the General Long-Term Obligations Account Group. Payments of principal and interest relating to these bonds are recorded as expenditures in the Debt Service fund. The source of payment is derived from a current 4.20 mill bonded debt tax levy.

A. The following is a description of the Columbus Grove Local School District bond outstanding as of June 30, 2000:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance 07/01/99</u>	<u>(Retired) In Fiscal 2000</u>	<u>Balance 06/30/00</u>
Construction and Improvement Bond	6.50%	02/01/87	12/01/10	<u>\$2,850,000</u>	<u>\$1,475,000</u>	<u>\$(125,000)</u>	<u>\$1,350,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 125,000	\$ 83,688	\$ 208,688
2002	125,000	75,563	200,563
2003	125,000	67,438	192,438
2004	125,000	59,313	184,313
2005	125,000	51,188	176,188
2006 - 2010	605,000	136,663	741,663
2011	<u>120,000</u>	<u>3,900</u>	<u>123,900</u>
Total	<u>\$1,350,000</u>	<u>\$477,753</u>	<u>\$1,827,753</u>

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

	<u>Balance July 1, 1999</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance June 30, 2000</u>
Compensated Absences	\$ 182,451	\$ 68,028	\$ (11,918)	\$ 238,561
General Obligation Bonds	1,475,000		(125,000)	1,350,000
Pension Obligation Payable	<u>41,530</u>	<u>44,649</u>	<u>(41,530)</u>	<u>44,649</u>
Total	<u>\$1,698,981</u>	<u>\$112,677</u>	<u>\$(178,448)</u>	<u>\$1,633,210</u>

D. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of a school district shall never exceed 9% of the total assessed valuation of the district. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the district. The effects of these debt limitations for the District at June 30, 2000 are a voted debt margin of \$4,323,165 (including available funds of \$401,312) and an unvoted debt margin of \$58,576.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is contracted with Nationwide Insurance Company for general liability. The District contracted with Indiana Insurance Company for property insurance, fleet insurance and liability insurance.

Coverages provided by the insurance companies are as follows:

	<u>Deductible</u>	<u>Coverage</u>
Building and Contents - Replacement Cost	\$ 500	\$13,885,924
Inland Marine Coverage	\$ 50	\$ 142,075
Automobile Liability	\$ 500	\$ 1,000,000
General Liability:		
Per Occurrence	\$ 1,000	\$ 1,000,000
Total Per Year	\$ 1,000	\$ 5,000,000

Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

The District participates in the Northwest Ohio Area Computer Services Cooperative Workers' Compensation Group Rating Program (the Plan), an insurance purchasing pool. The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement. The GRP's business and affairs are conducted by a twenty-five member Board of Directors consisting of two representatives from each county elected by a majority vote of all charter member schools within each county plus one representative from the fiscal agency A-site. The Treasurer of Findlay City Schools serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The District participates in the Putnam County Schools Insurance Group (PCSIG), an insurance purchasing pool consisting of 11 member entities. The experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the PCSIG. The District pays monthly premiums to the Medical Mutual of Ohio for employee medical benefits.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

12. SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains two Enterprise funds to account for the operations of Food Service and Uniform School Supplies. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating Revenue	\$ 159,704	\$24,678	\$184,382
Depreciation Expense	4,343		4,343
Operating Income (Loss)	(46,350)	3,432	(42,918)
Non-Operating Revenue:			
Operating Grants	31,830		31,830
Donated federal commodities	12,900		12,900
Net Income	1,375	3,432	4,807
Net Working Capital	23,995	(3,446)	20,549
Fixed Assets:			
Additions	405		405
Total Assets	122,670	14,554	137,224
Long-Term Liabilities			
Payable from Fund Revenues	3,694		3,694
Total Fund Equity	97,098	(3,446)	93,652
Encumbrances at June 30, 2000	175	11,108	11,283

13. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate, which was 14 percent for 2000; 5.50 percent was the portion to fund pension obligations. The contribution rates of plan members and employers are established and may be amended by the School Employees Retirement Board, up to maximum amounts allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$90,195, \$86,333, and \$62,574, respectively; 52 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$43,500, which represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the General Long-Term Obligations Account Group.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides 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 for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$346,587, \$339,840, and \$305,901, respectively; 85 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$53,876, which represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

14. POSTEMPLOYMENT BENEFITS

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 are required to pay a portion of 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, 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$198,050 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion at June 30, 1999. As of July 1, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000.

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

For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, were \$126.4 million and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188 million.

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

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 \$60,555 during the 2000 fiscal year.

15. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 and disbursements.

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

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

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

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
Budget Basis	\$299,031	\$(141,353)	\$43,306	\$ 55,986
Net Adjustment for Revenue Accruals	36,310	63,585	1,054	(18,836)
Net Adjustment for Expenditure Accruals	(89,521)	(62,598)		
Net Adjustment for Other Financing Sources/(Uses)	470	78,977		(77,669)
Adjustment for Encumbrances	<u>113,984</u>	<u>6,303</u>	<u> </u>	<u>41,659</u>
GAAP Basis	<u>\$360,274</u>	<u>\$ (55,086)</u>	<u>\$44,360</u>	<u>\$ 1,140</u>

**COLUMBUS GROVE LOCAL SCHOOL DISTRICT
PUTNAM COUNTY**

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

16. CONTINGENCIES

A. Grants

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

B. Litigation

As of the balance sheet date, the District was not involved in any litigation as either defendant or plaintiff.

C. School Funding Decision

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of January 29, 2002, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

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

Columbus Grove Local School District
Putnam County
201 West Cross Street
Columbus Grove, Ohio 45830-1299

To the Board of Education:

We have audited the financial statements of Columbus Grove Local School District (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated January 29, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance, which we have reported to management of the District in a separate letter dated January 29, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated January 29, 2002.

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

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

Jim Petro
Auditor of State

January 29, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COLUMBUS GROVE LOCAL SCHOOL DISTRICT

PUTNAM COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 12, 2002**