

**CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 1999

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP Basis) and Actual All Governmental Fund Types and Expendable Trust Fund	10
Combined Statement of Revenues, Expenses and Changes in Fund Equity Proprietary Fund Type	14
Combined Statement of Revenues, Expenses and Changes in Fund Equity Budget (Non-GAAP Basis) and Actual Proprietary Fund Type	15
Combined Statement of Cash Flows Proprietary Fund Type	16
Notes to the General Purpose Financial Statements	18
Schedule of Federal Awards Receipts and Expenditures	47
Notes to the Schedule of Federal Awards Receipts and Expenditures	48
Report of Independent Accountants on Compliance and on Internal Control Required By <i>Government Auditing Standards</i>	49
Report of Independent Accountants on Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	51
Schedule of Findings	53



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Claymont City School District
Tuscarawas County
115 North Third Street
Dennison, Ohio 44621

To the Board of Education:

We have audited the accompanying general purpose financial statements of Claymont City School District, Tuscarawas County, Ohio, (the District) as of and for the year ended June 30, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

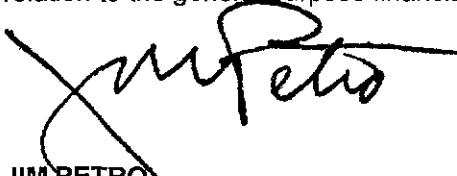
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 4 to the general purpose financial statements, the District changed its method of accounting and reporting for its Energy Conservation Loan.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 1999, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for the purpose 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.



JIM RETRO
Auditor of State

December 17, 1999

THIS PAGE INTENTIONALLY LEFT BLANK

Claymont City School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,660,226	\$354,194	\$163,988	\$10,135,492
Receivables:				
Taxes	3,399,472	0	429,693	67,989
Accounts	0	1,820	0	0
Intergovernmental	6,198	90,318	0	0
Prepaid Items	6,773	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	12,192	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	149,365	0	0	0
Fixed Assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other Debits				
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
Total Assets and Other Debits	\$5,234,226	\$446,332	\$593,681	\$10,203,481

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$37,709	\$33,171	\$0	\$0	\$12,384,780
0	0	0	0	3,897,154
0	0	0	0	1,820
33,224	0	0	0	129,740
0	0	0	0	6,773
12,210	0	0	0	12,210
2,560	0	0	0	14,752
0	0	0	0	149,365
26,721	0	14,427,444	0	14,454,165
0	0	0	225,177	225,177
0	0	0	6,552,123	6,552,123
<u>\$112,424</u>	<u>\$33,171</u>	<u>\$14,427,444</u>	<u>\$6,777,300</u>	<u>\$37,828,059</u>

(continued)

Claymont City School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
 June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$38,992	\$36,987	\$0	\$19,793
Contracts Payable	0	0	0	660,960
Accrued Wages and Benefits	1,273,014	116,711	0	0
Compensated Absences Payable	37,835	2,022	0	0
Retainage Payable	0	0	0	32,375
Intergovernmental Payable	223,485	12,278	0	1,626
Deferred Revenue	2,915,380	0	368,504	58,307
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Loan	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	4,488,706	167,998	368,504	773,061
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	108,402	26,397	0	857,770
Reserved for Inventory	12,192	0	0	0
Reserved for Property Taxes	484,092	0	61,189	9,682
Reserved for Budget Stabilization	149,365	0	0	0
Unreserved, Undesignated (Deficit)	(8,531)	251,937	163,988	8,562,968
Total Fund Equity and Other Credits	745,520	278,334	225,177	9,430,420
Total Liabilities, Fund Equity and Other Credits	\$5,234,226	\$446,332	\$593,681	\$10,203,481

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
		\$0	\$0	\$96,003
\$231	\$0	\$0	\$0	660,960
0	0	0	0	1,426,886
37,161	0	0	0	1,270,122
22,883	0	0	1,207,382	32,375
0	0	0	0	337,089
17,259	0	0	82,441	3,347,502
5,311	0	0	0	22,863
0	22,863	0	0	13,842
0	0	0	13,842	139,038
0	0	0	139,038	5,334,597
0	0	0	5,334,597	5,334,597
<u>82,845</u>	<u>22,863</u>	<u>0</u>	<u>6,777,300</u>	<u>12,681,277</u>
0	0	14,427,444	0	14,427,444
54,871	0	0	0	54,871
(25,292)	0	0	0	(25,292)
0	0	0	0	992,569
0	0	0	0	12,192
0	0	0	0	554,963
0	0	0	0	149,365
0	10,308	0	0	8,980,670
<u>29,579</u>	<u>10,308</u>	<u>14,427,444</u>	<u>0</u>	<u>25,146,782</u>
<u>\$112,424</u>	<u>\$33,171</u>	<u>\$14,427,444</u>	<u>\$6,777,300</u>	<u>\$37,828,059</u>

Claymont City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999

	Governmental	
	General	Special Revenue
Revenues		
Taxes	\$2,431,704	\$0
Intergovernmental	8,598,189	1,129,568
Interest	150,465	740
Tuition and Fees	43,703	2,558
Extracurricular Activities	4,490	245,783
Contributions and Donations	14,365	20,095
Charges for Services	9,747	0
Rentals	1,208	0
Miscellaneous	18,462	17,058
<i>Total Revenues</i>	11,272,333	1,415,802
Expenditures		
Current:		
Instruction:		
Regular	5,356,979	217,260
Special	949,529	497,498
Vocational	264,402	0
Support Services:		
Pupils	456,441	0
Instructional Staff	562,031	77,463
Board of Education	27,787	0
Administration	1,069,675	61,548
Fiscal	238,663	0
Business	79,790	0
Operation and Maintenance of Plant	864,239	234
Pupil Transportation	494,644	3,483
Central	102,978	7,548
Operation of Non-Instructional Services	0	117,683
Extracurricular Activities	257,951	263,773
Capital Outlay	241,782	0
Intergovernmental	0	4,503
Debt Service:		
Principal Retirement	7,607	0
Interest and Fiscal Charges	1,745	0
<i>Total Expenditures</i>	10,976,243	1,250,993
<i>Excess of Revenues Over (Under) Expenditures</i>	296,090	164,809
<i>Fund Balances Beginning of Year - Restated (See Note 4)</i>	456,517	113,525
Decrease in Reserve for Inventory	(7,087)	0
<i>Fund Balances End of Year</i>	\$745,520	\$278,334

See accompanying notes to the general purpose financial statements

Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$346,181	\$47,357	\$0	\$2,825,242
44,212	12,002,702	0	21,774,671
0	34,253	527	185,985
0	0	0	46,261
0	0	0	250,273
0	0	0	34,460
0	0	0	9,747
0	0	0	1,208
0	0	0	35,520
<u>390,393</u>	<u>12,084,312</u>	<u>527</u>	<u>25,163,367</u>
0	0	0	5,574,239
0	0	0	1,447,027
0	0	0	264,402
0	0	0	456,441
0	0	0	639,494
0	0	0	27,787
0	0	0	1,131,223
10,470	0	0	249,133
0	0	0	79,790
0	0	0	864,473
0	0	0	498,127
0	0	0	110,526
0	0	750	118,433
0	0	0	521,724
0	2,891,414	0	3,133,196
0	0	0	4,503
115,245	0	0	122,852
302,150	0	0	303,895
<u>427,865</u>	<u>2,891,414</u>	<u>750</u>	<u>15,547,265</u>
(37,472)	9,192,898	(223)	9,616,102
262,649	237,522	10,531	1,080,744
0	0	0	(7,087)
<u>\$225,177</u>	<u>\$9,430,420</u>	<u>\$10,308</u>	<u>\$10,689,759</u>

Claymont City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 1999*

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$2,075,000	\$2,306,418	\$231,418
Intergovernmental	8,468,900	8,595,380	126,480
Interest	130,000	150,465	20,465
Tuition and Fees	30,300	43,703	13,403
Extracurricular Activities	0	4,490	4,490
Contributions and Donations	0	14,365	14,365
Charges for Services	3,000	9,747	6,747
Rentals	1,000	1,615	615
Miscellaneous	6,900	21,887	14,987
Total Revenues	10,715,100	11,148,070	432,970
Expenditures			
Current:			
Instruction:			
Regular	5,536,149	5,551,110	(14,961)
Special	1,002,806	993,236	9,570
Vocational	284,538	272,481	12,057
Support Services:			
Pupils	470,933	460,452	10,481
Instructional Staff	598,456	585,785	12,671
Board of Education	32,550	24,266	8,284
Administration	1,120,619	1,071,118	49,501
Fiscal	250,715	243,561	7,154
Business	98,595	81,527	17,068
Operation and Maintenance of Plant	1,022,626	900,481	122,145
Pupil Transportation	610,610	556,968	53,642
Central	127,030	120,182	6,848
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	294,390	264,076	30,314
Capital Outlay	345,580	247,867	97,713
Debt Service:			
Principal Retirement	7,607	7,607	0
Interest and Fiscal Charges	1,745	1,745	0
Total Expenditures	11,804,949	11,382,462	422,487
Excess of Revenues Over (Under) Expenditures	(1,089,849)	(234,392)	855,457
Other Financing Sources (Uses)			
Advances In	20,000	0	(20,000)
Refund of Prior Year Receipts	0	0	0
Total Other Financing Sources (Uses)	20,000	0	(20,000)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,069,849)	(234,392)	835,457
Fund Balances Beginning of Year	1,696,691	1,696,691	0
Prior Year Encumbrances Appropriated	181,905	181,905	0
Fund Balances (Deficit) End of Year	\$808,747	\$1,644,204	\$835,457

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$412,272	\$436,903	\$24,631
938,622	1,084,250	145,628	44,000	44,212	212
325	740	415	0	0	0
0	2,558	2,558	0	0	0
260,950	247,048	(13,902)	0	0	0
13,634	20,095	6,461	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
7,638	15,238	7,600	0	0	0
<u>1,221,169</u>	<u>1,369,929</u>	<u>148,760</u>	<u>456,272</u>	<u>481,115</u>	<u>24,843</u>
224,401	215,318	9,083	0	0	0
547,727	527,200	20,527	0	0	0
0	0	0	0	0	0
1,449	0	1,449	0	0	0
105,829	85,709	20,120	0	0	0
0	0	0	0	0	0
66,340	55,195	11,145	0	0	0
1,000	0	1,000	11,699	10,470	1,229
0	0	0	0	0	0
340	236	104	0	0	0
6,039	3,617	2,422	0	0	0
8,437	7,548	889	0	0	0
142,064	126,906	15,158	0	0	0
290,540	280,849	9,691	0	0	0
0	0	0	0	0	0
0	0	0	115,245	115,245	0
0	0	0	302,150	302,150	0
<u>1,394,166</u>	<u>1,302,578</u>	<u>91,588</u>	<u>429,094</u>	<u>427,865</u>	<u>1,229</u>
<u>(172,997)</u>	<u>67,351</u>	<u>240,348</u>	<u>27,178</u>	<u>53,250</u>	<u>26,072</u>
0	0	0	0	0	0
(4,503)	(4,503)	0	0	0	0
<u>(4,503)</u>	<u>(4,503)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(177,500)	62,848	240,348	27,178	53,250	26,072
199,647	199,647	0	110,738	110,738	0
29,449	29,449	0	0	0	0
<u>\$51,596</u>	<u>\$291,944</u>	<u>\$240,348</u>	<u>\$137,916</u>	<u>\$163,988</u>	<u>\$26,072</u>

(continued)

Claymont City School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual
All Governmental Fund Types and Expendable Trust Fund (continued)
For the Fiscal Year Ended June 30, 1999*

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$52,000	\$53,800	\$1,800
Intergovernmental	11,324,820	12,002,702	677,882
Interest	109	34,253	34,144
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	0	0	0
Miscellaneous	0	0	0
Total Revenues	11,376,929	12,090,755	713,826
Expenditures			
Current:			
Instruction:			
Regular	183,816	127,632	56,184
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	1,400	1,322	78
Instructional Staff	11,860	10,216	1,644
Board of Education	0	0	0
Administration	0	0	0
Fiscal	5,000	1,094	3,906
Business	0	0	0
Operation and Maintenance of Plant	82,097	10,328	71,769
Pupil Transportation	0	0	0
Central	1,600	1,360	240
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	11,419,194	3,707,203	7,711,991
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	11,704,967	3,859,155	7,845,812
Excess of Revenues Over (Under) Expenditures	(328,038)	8,231,600	8,559,638
Other Financing Sources (Uses)			
Advances In	0	0	0
Refund of Prior Year Receipts	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(328,038)	8,231,600	8,559,638
Fund Balances Beginning of Year	205,893	205,893	0
Prior Year Encumbrances Appropriated	129,945	129,945	0
Fund Balances (Deficit) End of Year	\$7,800	\$8,567,438	\$8,559,638

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,539,272	\$2,797,121	\$257,849
0	0	0	20,776,342	21,726,544	950,202
500	527	27	130,934	185,985	55,051
0	0	0	30,300	46,261	15,961
0	0	0	260,950	251,538	(9,412)
0	0	0	13,634	34,460	20,826
0	0	0	3,000	9,747	6,747
0	0	0	1,000	1,615	615
0	0	0	14,538	37,125	22,587
500	527	27	23,769,970	25,090,396	1,320,426
0	0	0	5,944,366	5,894,060	50,306
0	0	0	1,550,533	1,520,436	30,097
0	0	0	284,538	272,481	12,057
0	0	0	473,782	461,774	12,008
0	0	0	716,145	681,710	34,435
0	0	0	32,550	24,266	8,284
0	0	0	1,186,959	1,126,313	60,646
0	0	0	268,414	255,125	13,289
0	0	0	98,595	81,527	17,068
0	0	0	1,105,063	911,045	194,018
0	0	0	616,649	560,585	56,064
0	0	0	137,067	129,090	7,977
1,500	750	750	143,564	127,656	15,908
0	0	0	584,930	544,925	40,005
0	0	0	11,764,774	3,955,070	7,809,704
0	0	0	122,852	122,852	0
0	0	0	303,895	303,895	0
1,500	750	750	25,334,676	16,972,810	8,361,866
(1,000)	(223)	777	(1,564,706)	8,117,586	9,682,292
0	0	0	20,000	0	(20,000)
0	0	0	(4,503)	(4,503)	0
0	0	0	15,497	(4,503)	(20,000)
(1,000)	(223)	777	(1,549,209)	8,113,083	9,662,292
9,781	9,781	0	2,222,750	2,222,750	0
750	750	0	342,049	342,049	0
\$9,531	\$10,308	\$777	\$1,015,590	\$10,677,882	\$9,662,292

Claymont City School District
*Combined Statement of Revenues, Expenses and
Change in Fund Equity
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999*

	<u>Enterprise</u>
Operating Revenues	
Sales	\$199,728
Operating Expenses	
Salaries and Wages	176,207
Fringe Benefits	75,923
Purchased Services	3,633
Materials and Supplies	28,079
Cost of Sales	163,505
Other	943
Depreciation	4,483
<i>Total Operating Expenses</i>	452,773
<i>Operating Loss</i>	(253,045)
Non-Operating Revenues	
Donated Commodities	27,635
Operating Grants	230,286
Interest	108
<i>Total Non-Operating Revenues</i>	258,029
<i>Net Income</i>	4,984
<i>Retained Earnings (Deficit) Beginning of Year</i>	(30,276)
<i>Retained Earnings (Deficit) End of Year</i>	(25,292)
Contributed Capital Beginning and End of Year	54,871
<i>Fund Equity End of Year</i>	\$29,579

See accompanying notes to the general purpose financial statements

Claymont City School District
*Combined Statement of Revenues, Expenses
and Change in Fund Equity - Budget (Non-GAAP Basis) and Actual
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Sales	\$200,600	\$199,728	(\$872)
Operating Grants	207,000	229,038	22,038
Interest	0	108	108
<i>Total Revenues</i>	<u>407,600</u>	<u>428,874</u>	<u>21,274</u>
Expenses			
Salaries and Wages	174,952	174,923	29
Fringe Benefits	98,940	98,871	69
Purchased Services	7,500	3,886	3,614
Materials and Supplies	169,623	158,061	11,562
Other	1,200	943	257
<i>Total Expenses</i>	<u>452,215</u>	<u>436,684</u>	<u>15,531</u>
<i>Excess of Revenues Under Expenses</i>	(44,615)	(7,810)	36,805
Advance In	20,000	0	(20,000)
Advance Out	(20,000)	0	20,000
<i>Excess of Revenues and Advances Under Expenses and Advances</i>	(44,615)	(7,810)	36,805
<i>Fund Equity Beginning of Year</i>	44,472	44,472	0
Prior Year Encumbrances Appropriated	403	403	0
<i>Fund Equity End of Year</i>	<u>\$260</u>	<u>\$37,065</u>	<u>\$36,805</u>

See accompanying notes to the general purpose financial statements

Claymont City School District
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$199,728
Cash Payments for Goods and Services	(161,303)
Cash Payments to Employees for Services	(174,923)
Cash Payments for Employee Benefits	(98,871)
Cash Payments for Other Operating Expenses	(943)
	<u>(236,312)</u>
<i>Net Cash Used for Operating Activities</i>	(236,312)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	229,038
Cash Flows from Investing Activities	
Interest on Investments	108
	<u>108</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(7,166)
<i>Cash and Cash Equivalents Beginning of Year</i>	44,875
	<u>44,875</u>
<i>Cash and Cash Equivalents End of Year</i>	\$37,709
	<u>\$37,709</u>

(continued)

Claymont City School District
Combined Statement of Cash Flows
Proprietary Fund Type (continued)
For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</i>	
<i>Operating Loss</i>	<u>(\$253,045)</u>
Adjustments:	
Depreciation	4,483
Donated Commodities Used During Year	27,635
Decrease in Assets:	
Inventory Held for Resale	6,170
Increase/(Decrease) in Liabilities:	
Accounts Payable	109
Accrued Wages and Benefits	(28,085)
Compensated Absences Payable	(255)
Intergovernmental Payable	<u>6,676</u>
<i>Total Adjustments</i>	<u>16,733</u>
<i>Net Cash Used for Operating Activities</i>	<u>(\$236,312)</u>

See accompanying notes to the general purpose financial statements

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 1 - Description of the School District and Reporting Entity

The Claymont City School District (the "School District") operates under a locally-elected Board form of government consisting of five members. The School District provides educational services as authorized by State statute and/or federal guidelines. The Board controls the School District's six instructional facilities and one support facility staffed by 154 certified personnel, 85 classified personnel and 11 administrators. The School District is located within the City of Uhrichsville and the Village of Dennison, Ohio. The current enrollment for the School District is 2,418. The School District operates three elementary schools, a fifth grade complex, a middle school which houses grades 6-8, one 9-12 high school and one garage.

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The Claymont City School District does not have any component units.

The following activities are included within the reporting entity:

Nonpublic School The Immaculate Conception School operated through the Columbus Catholic Diocese. Current state legislation provides funding for this nonpublic school. These monies are received and disbursed on behalf of the nonpublic school by the Treasurer of the School District, as directed by the nonpublic school. The activity of these State monies by the School District are reflected in a special revenue fund for financial reporting purposes.

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

City of Uhrichsville and the Village of Dennison The City of Uhrichsville and the Village of Dennison are separate bodies politic and corporate. A mayor and council are elected independent of any School District relationships, and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for the City and for the Village.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The School District is associated with certain organizations which are defined as jointly governed organizations, public entity risk pools and a related organization. These organizations include the Ohio Mid-Eastern Regional Education Service Agency, the Buckeye Career Center, the Tuscarawas County Tax Incentive Review Council, the Ohio School Boards Association Workers' Compensation Group Rating Program, the Stark County Council of Governments Health Benefit Plan and the Claymont Public Library. These organizations are presented in Notes 17, 18 and 19 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis Of Presentation - Fund Accounting

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

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

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

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

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Special Revenue Funds The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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

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

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

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

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. The expendable trust fund is 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.

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

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

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 or the expendable trust fund.

B. Measurement Focus and Basis of Accounting

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

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 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. The proprietary operating statement presents increases (i.e., revenues) and decreases (i.e., 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 fiscal year end.

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 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 type. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control has been established by the Board of Education at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 Tuscarawas County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 1999.

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. 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 appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations 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 fiscal 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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

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

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

D. Cash and Cash Equivalents

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

During fiscal year 1999, investments were limited to STAROhio. 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, 1999.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 1999 amounted to \$150,465, which includes \$26,867 assigned from other School District funds.

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

E. 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 materials and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food and school supplies held for resale and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999, 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 is reported in the year in which services are consumed.

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 23 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

H. Fixed Assets and Depreciation

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

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture, fixtures and equipment, and vehicles in the proprietary fund types are computed using the straight-line method over an estimated useful life of twelve years.

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
School Bus Purchase Reimbursement
Ohio School Facilities Program

Special Revenue Funds

Disadvantaged Pupil Impact Aid
Textbooks and Instructional Materials

Non-Reimbursable Grants

Special Revenue Funds

Auxiliary Services
Venture Capital
Disadvantaged Pupil Program
Education Management Information Systems
Title VIB

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Title I
Title VI
Drug-Free Schools
Professional Development Block Grant
Eisenhower Grant
Community Services Block Grant
School Conflict
Raising the Bar Grant

Capital Projects Funds

Technology Equity
School Net
School Net Plus

Reimbursable Grants

General Fund
Driver Education

Special Revenue Fund

Title XIX
FCC - E-Rate

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to 87 percent of the School District's governmental fund revenue during the 1999 fiscal year.

J. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 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 certified and administrative employees after two years of current service with the School District. A liability is recorded after one year of current service with the School District for classified employees.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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.

K. Contributed Capital

Contributed capital represents resources provided by other funds, other governments and private sources to the enterprise funds and is 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 fiscal year end.

L. 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 judgements, compensated absences and contractually required pension contributions 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 fiscal 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.

Under Ohio law, a debt service fund must be created and used for the payment of tax and revenue anticipation notes. Generally accepted accounting principles requires the reporting of the liability in the funds that received the proceeds. To comply with GAAP reporting requirements, the School District's debt service fund has been split among the appropriate funds. Debt service fund resources used to pay both principal and interest have also been allocated accordingly.

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. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

appropriation in future periods. Fund equity reserves have been established for encumbrances, inventory, property taxes and budget stabilization.

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

O. Estimates

The preparation of the 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. Total Columns on General Purpose Financial Statements

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

Note 3 - Accountability and Compliance

A. Fund Deficit

The disadvantaged pupil impact aid special revenue fund had deficit fund balance at June 30, 1999 of \$18,969. The deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, rather than when accruals occur.

B. Legal Compliance

Contrary to Section 5705.41(B), Ohio Revised Code, the following account had expenditures plus encumbrances in excess of appropriations:

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
Capital Projects Fund			
Classroom Facilities			
Capital Outlay			
Architecture and Engineering			
Purchase Services	1,694,670	2,444,685	(750,015)

This variance is a result of classroom facilities projects which is being funded by State sources. The Ohio Classroom Facilities Commission is responsible for administering the projects, including the disbursement of

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

funds. The activity is controlled by Ohio Classroom Facilities Commission and is not under the fiscal control of the District. As of year end, the District recorded an estimate of the "on- behalf- of" activity.

In order to amend the appropriations prior to year end, the District requested, but was unable to obtain an estimate, other than the drawdowns, of expenditures made by Ohio Classroom Facilities Commission. Consequently, the District did not modify appropriations for the Ohio Classroom Facilities expenditures made on behalf of the District, thus creating the variance. Since the actual receipts and disbursements recorded by the District are offsetting amounts, expenditures would not exceed available resources as a result of this activity.

Note 4 - Changes in Accounting Principles and Restatement of Prior Year Balances

Prior to 1999, the energy conservation loan was reported in the general fund. Since this is a long-term loan and was used to fund capital projects, for 1999 this loan is reported as a liability of the general long-term obligations account group. The effect of this change on the excess of revenues and other financing sources over expenditures and other financing uses as previously reported for the year ended June 30, 1998, is as follows:

	<u>General</u>
Excess as Previously Reported	(\$516,644)
Accrued Interest	925
Restated Excess for the fiscal year ended June 30, 1998	(\$515,719)

These changes in reporting had the following effects on fund balance as it was previously reported as of June 30, 1998.

	<u>General</u>
Fund Balance as Previously Reported	\$271,117
Energy Conservation Loan Payable	179,283
Accrued Interest Payable	6,117
Restated Fund Balance for the fiscal year ended June 30, 1998	\$456,517

The general long-term obligations account group liabilities increased from \$6,552,061 to \$6,731,344, due to the restatement of energy conservation loan payable.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Change in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. Proceeds from and principal payments on bond and revenue anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (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.

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 Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$296,090	\$164,809	(\$37,472)	\$9,192,898	(\$223)
Adjustment for Revenue Accruals	(124,263)	(45,873)	90,722	6,443	0
Adjustment for Expenditure Accruals	(240,832)	6,162	0	600,313	0
Adjustment for Encumbrances	(165,387)	(62,250)	0	(1,568,054)	0
Budget Basis	<u>(\$234,392)</u>	<u>\$62,848</u>	<u>\$53,250</u>	<u>\$8,231,600</u>	<u>(\$223)</u>

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Net Income/Excess of Revenues
Under Expenses and Advances
Proprietary Fund Type

	Enterprise
GAAP Basis	\$4,984
Adjustment for Revenue Accruals	(1,248)
Adjustment for Expense Accruals	(15,385)
Depreciation Expense	4,483
Adjustment for Encumbrances	(644)
Budget Basis	(\$7,810)

Note 6 - 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 or deposit 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 monies deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or 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,

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

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

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

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$188,804 and the bank balance was \$264,935. Of the bank balance:

- a. \$101,157 was covered by federal depository insurance; and
- b. \$163,778 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.

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 fiscal year end. Category I includes investments that are insured or

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAROhio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form. At June 30, 1999, the School District's investments in STAROhio had a carrying amount and a fair value of \$12,345,341.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." A reconciliation between the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$12,534,145	\$0
Investment in State Treasurer's Investment Pool	(12,345,341)	12,345,341
GASB Statement 3	\$188,804	\$12,345,341

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 1999 for real and public utility property taxes represents collections of calendar 1998 taxes. Property tax payments received during calendar 1999 for tangible personal property (other than public utility property) is for calendar 1999 taxes.

1999 real property taxes are levied after April 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 1999 public utility property taxes became a lien December 31, 1998, are levied after April 1, 1999 and are collected in 2000 with real property taxes.

1999 tangible personal property taxes are levied after April 1, 1998, on the value as of December 31, 1998. Collections are made in 1999. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 1999 taxes were collected are:

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$67,204,920	66.25%	\$69,170,580	65.43%
Public Utility Personal	11,816,510	11.65	12,035,500	11.38
Tangible Personal Property	22,413,560	22.10	24,518,090	23.19
Total	\$101,434,990	100.00%	\$105,724,170	100.00%
Tax rate per \$1,000 of assessed valuation	\$36.90		\$35.00	

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later 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 semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Tuscarawas 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, 1999, are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Claymont City School District. The County Auditor periodically remits to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. 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 to the School District as an advance at June 30, 1999, was \$484,092 in the general fund, \$61,189 in the bond retirement and \$9,682 in the permanent improvements capital projects fund.

Note 8 - Receivables

Receivables at June 30, 1999, consisted of property taxes, accounts (rent, billings for user charged services, and student fees) 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

	Amount
General Fund:	
CAFS	\$4,498
Driver Education	1,700
Total General Fund	6,198
Special Revenue Funds:	
Title I	65,360
Title VI-B	17,586
Drug Free Schools	3,993
Telecommunication Act	3,379
Total Special Revenue Funds	90,318
Food Service Enterprise Fund	33,224
Total - All Funds	\$129,740

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 1999, follows:

Furniture, Fixtures and Equipment	\$63,406
Vehicles	11,499
Less Accumulated Depreciation	(48,184)
Net Fixed Assets	\$26,721

A summary of the changes in general fixed assets during fiscal year 1999 follows:

Asset Category	Balance at 7/1/98	Additions	Deletions	Balance at 6/30/99
Land and Improvements	\$320,060	\$198,614	\$0	\$518,674
Buildings and Improvements	10,334,300	131,065	0	10,465,365
Furniture, Fixtures and Equipment	1,738,963	153,723	45,859	1,846,827
Vehicles	843,707	73,257	0	916,964
Construction in Progress	0	679,614	0	679,614
Totals	\$13,237,030	\$1,236,273	\$45,859	\$14,427,444

Note 10 - Risk Management

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1999, the School District contracted with Westfield Insurance Company for property insurance, boiler and machinery and inland marine coverage. Nationwide Insurance provides coverage for fleet insurance and general liability coverage. Coverages under these policies are as follows:

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Building and Contents-replacement cost (\$1,000 deductible)	\$30,161,152
Builders Coverage	24,500,000
Inland Marine Coverage (\$250 deductible)	1,752,329
Boiler and Machinery (\$1,000 deductible)	10,000,000
Crime Insurance	2,500
Automobile Liability (\$100 deductible)	1,000,000
Uninsured Motorists	300,000
General Liability:	
Per occurrence	1,000,000
Total per year	5,000,000

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

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 11 - Defined Benefit Pension Plans

A. 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. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 1999, 7.7 percent of annual covered salary was the portion to fund pension obligations. For fiscal year 1998, 9.02 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$106,611, \$121,958 and \$124,825 respectively; 55.37 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$47,581 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

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

For fiscal year ended June 30, 1999, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations 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, 1999, 1998, and 1997 were \$401,724, \$683,154 and \$729,000, respectively; 85.91 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$56,607 represents the unpaid contribution for fiscal year 1999, and is recorded as a liability within the respective funds.

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, 1999, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 12 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired classified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the 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.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

For fiscal year ended June 30, 1999, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund, an increase from 3.5 percent for fiscal year 1998. For the School District, this amount equaled \$535,632 during fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1998, (the latest information available) the balance in the Fund was \$2,156 million. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 1999, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. 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. For the School District, the amount to fund health care benefits, including surcharge, during the 1999 fiscal year equaled \$87,227.

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 125 percent of the annual health care expenses. Expense for health care at June 30, 1998 (the latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS had approximately 50,000 participants currently receiving health care benefits.

Note 13 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified and twelve month administrative employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and other administrators 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 245 days for all employees. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum of 168 days, and one-tenth of accumulated sick leave beyond 168 days, up to a maximum of 50 days, to classified employees. Certified employees receive one-fourth of their total sick leave accumulation, up to a maximum of 50 days.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees. Life insurance is provided through Anthem Life Insurance Company.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

C. Medical and Dental Insurance

The School District participates in the Stark County Council of Governments Health Benefit Plan (Note 18), a risk sharing pool to provide medical/surgical benefits for employees. The plan provides a medical/surgical plan with a \$200 family and \$100 single deductible. Co-insurance pays 80 percent of usual, customary and reasonable charges with yearly maximum out-of-pocket expenses of \$500 per individual or \$1,000 for two or more family members. The Stark County Council of Governments has selected Mutual Health Services to provide third party administrative services in claims processing. Employees may elect to choose from three Preferred Provider Organizations (PPO) to increase the co-insurance from 80 percent to 90 percent. The provider organizations are: Ohio Health Choice, Aultcare and Super Blue Plus. A preferred provider drug program is also included in the insurance program. The employee pays a 20 percent co-payment to the provider and the remaining 80 percent is directly billed to the insurance company. Caremark serves as the preferred provider for the drug program. During fiscal year 1999, the School District paid \$449 for family or \$185 for individual coverage per month to the Stark County Board of Education who serves as fiscal agent for the Health Benefits Plan. The premium is paid by the fund that pays the salary for the employee and is based on a rate determined by an actuary for the Health Benefits Plan.

The School District also provides dental benefits which are administered by the Health Benefit Plan. Mutual Health Services serves as the third party administrator to provide claims processing services for the dental plan. During fiscal year 1999, the premium for this coverage was \$58 monthly for family coverage and \$23 for individual coverage. The premium for this coverage is also paid into the insurance pool.

Note 14 - Capital Leases - Lessee Disclosure

In prior years, the School District entered into capitalized leases for furniture, fixtures and equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

General fixed assets consisting of furniture, fixtures and equipment have been capitalized in the general fixed assets account group in the amount of \$50,076. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments during fiscal year 1999 totaled \$7,607 in the general fund.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999.

Fiscal Year Ending June 30,	GLTOAG
2000	\$8,193
2001	5,880
2002	980
Total	15,053
Less: Amount Representing Interest	(1,211)
Present Value of Net Minimum Lease Payments	\$13,842

Note 15 - Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 1999 were as follows:

	Outstanding 6/30/98	Additions	Deductions	Outstanding 6/30/99
Compensated Absences	\$1,044,940	\$199,283	\$36,841	\$1,207,382
Intergovernmental Payable	76,075	82,441	76,075	82,441
Capital Leases	21,449	0	7,607	13,842
Energy Conservation Loan 1992 7.1%	179,283	0	40,245	139,038
General Obligation Bonds:				
School Improvement Bonds 1997 5.8%	5,409,597	0	75,000	5,334,597
Total General Long-Term Obligations	\$6,731,344	\$281,724	\$235,768	\$6,777,300

Compensated absences will be paid from the fund from which the employee is paid. The intergovernmental payable represents contractually required pension contributions made outside the available period and will be paid from the fund from which the employee is paid. The capital leases are being paid from the general fund.

On January 9, 1992, the School District obtained a loan for \$369,778 for the purpose of providing energy conservation measures for the School District. The loan issued for a ten year period with final maturity during fiscal year 2002. The loan is being retired from the debt service fund.

General Obligation Bond - On April 1, 1997, the School District issued \$5,409,597 in voted school improvement general obligation bonds for the purpose of improvements to the various school buildings. The bonds were issued for a 24 year period with final maturity during fiscal year 2022. The bonds are being retired from the debt service fund.

The School District's overall legal debt margin was \$4,405,756 with an unvoted debt margin of \$105,724 at June 30, 1999. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 1999, are as follows:

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Fiscal Year Ending June 30,	School Improvement Bonds	Energy Conservation Loan	Total
2000	\$386,298	\$52,272	\$438,570
2001	391,490	52,272	443,762
2002	400,932	52,271	453,203
2003	409,502	0	409,502
2004	417,197	0	417,197
2005-2009	2,175,214	0	2,175,214
2010-2014	2,237,503	0	2,237,503
2015-2019	2,226,232	0	2,226,232
2020-2022	1,326,875	0	1,326,875
Total Principal and Interest	9,971,243	156,815	10,128,058
Less: Interest	(4,636,646)	(17,777)	(4,654,423)
Total Principal	<u>\$5,334,597</u>	<u>\$139,038</u>	<u>\$5,473,635</u>

Note 16 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Claymont City School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$194,891	\$4,837	\$199,728
Depreciation Expense	4,483	0	4,483
Operating Loss	(247,240)	(5,805)	(253,045)
Donated Commodities	27,635	0	27,635
Operating Grants	230,286	0	230,286
Net Income (Loss)	10,789	(5,805)	4,984
Net Working Capital	22,543	2,349	24,892
Total Assets	110,075	2,349	112,424
Long-Term Compensated Absences	22,034	0	22,034
Total Equity	27,230	2,349	29,579
Encumbrances Outstanding at June 30, 1999	644	0	644

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Note 17 - Jointly Governed Organizations

A. Ohio Mid-Eastern Regional Educational Service Agency

Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) is a jointly governed organization created as a regional council of governments pursuant to State statutes. OME-RESA provides financial accounting services, an educational management information system, cooperative purchase services and legal services to member districts. OME-RESA has eleven participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA operates under the direction of a Board consisting of one representative from each of the participating school districts. The Jefferson County Educational Service Center office serves as the fiscal agent and receives funding from the State Department of Education. The continued existence of OME-RESA is not dependent on the School District's continued participation and no equity interest exists. OME-RESA has no outstanding debt. Claymont City School District paid \$32,030 to OME-RESA during fiscal year 1999 for services. To obtain financial information write to the Ohio Mid-Eastern Regional Educational Service Agency, Steubenville, Ohio 43952.

B. Buckeye Joint Vocational School District

The Buckeye Joint Vocational School District is a jointly governed organization established by the Ohio Revised Code. The Board of Education of each of the eleven member districts appoints one member to the Board to serve a two year term. The Buckeye Joint Vocational School District's Board is responsible for approving its own budget, appointing personnel, and accounting and financing related activities. The students of the Claymont City School District may attend the vocational school. The continued existence of the Buckeye Joint Vocational School District is not dependent upon the School District's continued participation and no measurable equity interest exists.

C. Tuscarawas County Tax Incentive Review Council

Tuscarawas County Tax Incentive Review Council (TCTIRC) is a jointly governed organization, created as a regional council of governments pursuant to State statutes. TCTIRC has 22 members, consisting of three members appointed by the County Commissioners, four members appointed by municipal corporations, six members appointed by township trustees, one member from the county auditor's office and eight members appointed by boards of education located within the county. The TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the council can make written recommendations to the legislative authority that approved the agreement. There is no cost associated with being a member of this Council. The continued existence of the TCTIRC is not dependent upon the School District's continued participation and no measurable equity interest exists.

Note 18 - Public Entity Risk Pools

A. Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or 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.

B. Risk Sharing Pool

The Stark County Council of Governments Health Benefit Plan is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the consortium. All consortium revenues are generated from charges for services.

Note 19 - Related Organization

The Claymont Public Library is a related organization to Claymont City School District. The School Board members are responsible for appointing the trustees of the Public Library; however, the School Board cannot influence the Library's operation nor does the Library represent a potential financial benefit or burden to Claymont City School District. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. Once the Library determines to present a levy to voters, including the determination of the rate and duration, the School District must place the levy on the ballot. The Library may issue debt and determines its own budget. Financial information can be obtained from the Claymont Public Library, 215 E. 3rd St., Uhrichsville, Ohio 44683.

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 1999.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 21 - 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

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

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 the fiscal year ended June 30, 1999, the School District received \$8,061,210 of school foundation support for its general fund.

In addition, 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 grant money to build schools and furnish classrooms. As of June 30, 1999, the School District will be receiving approximately \$28,800,000 under this program.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has 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 has appealed the decision made by the court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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 22 - Year 2000 Compliance

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

At June 30, 1999, the School District has completed an inventory of computer systems and other equipment necessary to conducting School District operations and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education Management and Information System (EMIS)).

The School District uses the State of Ohio Uniform School Accounting System software for its financial reporting and the State of Ohio Uniform School Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" payments. Further, the State processes a significant amount of financial and non-financial information about the District through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems.

The Northwest Ohio Computer Association, State Software Development Team states,

"The payroll processing software supported with the OECN State Software is compliant with the Year 2000, beginning with the September 1997 release of USPS V4.0.

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

The accounting software supported with the OECN State Software will be compliant with the Year 2000, beginning with the June 1998 release of USAS V6.1.

The equipment inventory and vehicle inventory system software supported with the OECN State Software will be compliant with the Year 2000, beginning with the December 1998 release of SAAS V2.0.

The education management information system software supported with the OECN State Software will be compliant with the Year 2000, beginning with the September 1998 release of EMIS V1.7."

Tuscarawas County collects property taxes for distribution to the Claymont City School District. Tuscarawas County is responsible for remediating the tax collection system.

The County is solely responsible for any costs associated with the tax collection system project. The State is solely responsible for any costs associated with the Foundation processing and EMIS systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the School District is or will be Year 2000 ready, that the School District's remediation efforts will be successful in whole or in part, or that parties whom the School District does business will be Year 2000 ready.

Note 23 - Set-Asides

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

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

	Budget Stabilization Reserve	Textbook/ Instructional Materials	Capital Improvements
The balance of the set-aside carried forward from the prior year	\$68,019	\$0	\$0
Current year set-aside requirements	81,015	162,029	162,029
Fiscal Year 1999 Workers' Compensation	331	0	0
Qualifying expenditures during the fiscal year	0	(162,029)	(114,308)
Offsets during the fiscal year	0	0	(47,721)
The balance of the set-aside carried forward to the next fiscal year	<u>\$149,365</u>	<u>\$0</u>	<u>\$0</u>

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

Amounts of offsets and qualifying disbursements presented in the table were limited to those necessary to reduce the year-end balance to zero. Although the School District may have additional offsets and qualifying disbursements during the year, these extra amounts may not be used to reduce the set-aside requirements of future years, and are therefore not presented.

Note 24 - Subsequent Event

The School District passed a renewal of a current operating levy at the November 1999 ballot. Beginning with fiscal year 2001, the School District is expected to collect \$505,000 annually.

Note 25 - Operating Lease

On August 14, 1998, the School District entered into a non-cancellable operating lease for seven copiers. The minimum rental commitment under this non-cancellable lease as of June 30, 1999, are the following:

<u>Fiscal Year</u>	<u>Minimum Commitment</u>
2000	\$32,580

Claymont City School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 1999

This page intentionally left blank.

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
<i>Child Nutrition Cluster</i>						
Food Distribution	10.550	N/A	\$0	\$28,758	\$0	\$27,634
National School Lunch Program	10.555	N/A	177,973	0	177,973	0
National Special Milk Program	10.556	N/A	1,255	0	1,255	0
National School Breakfast Program	10.553	N/A	34,548	0	34,548	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			213,776	28,758	213,776	27,634
U.S. DEPARTMENT OF LABOR						
<i>Passed Through Ohio Job Training Partnership</i>						
Job Training Program Assistance	17.250	F98-9471 F99-9471	9,837 2,738	0 0	11,843 0	0 0
Total U.S. Department of Labor			12,575	0	11,843	0
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	043778C1S198 043778C1S198C 043778C1S199	30,029 36,043 418,012	0 0 0	92,958 36,043 382,046	0 0 0
Total Title I Grants to Local Educational Agencies			484,084	0	511,047	0
Special Education_ Grants to States	84.027	0437786BSF98P 0437786BSF99P	0 118,966	0 0	21,266 112,265	0 0
Total Special Education_ Grants to States			118,966	0	133,531	0
Eisenhower Professional Development State Grant	84.281	043778MSS197C 043778MSS198 043778MSS199	0 0 12,662	0 0 0	2,492 9,008 4,804	0 0 0
Total Eisenhower Professional Development State Grant			12,662	0	16,304	0
Innovative Education Program Strategies	84.298	043778C2S198 043778C2S199	0 9,176	0 0	455 9,099	0 0
Total Innovative Education Program Strategies			9,176	0	9,554	0
Safe and Drug-Free Schools and Communities_ State Grants	84.186	043778DRS198 043778DRS199	0 9,140	0 0	1,684 8,133	0 0
Total Safe and Drug-Free Schools and Communities_ State Grants			9,140	0	9,817	0
Goals 2000_ State and Local Education Systemic Improvement	84.276	043778G2S297C	0	0	722	0
Technology Literacy Challenge Fund Grants	84.318	043778TF3199P	150,000	0	0	0
Telecommunications Act Grant E-Rate	84.XXX	N/A	1,704	0	0	0
Total U.S. Department of Education			785,732	0	680,975	0
Total			\$1,012,063	\$28,758	\$906,594	\$27,634

See Accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1999**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Federal Awards Receipts and Expenditures (Schedule) is a summary of the activity of the District's federal award programs. Except for Job Training Partnership Act (CFDA No. 17.250) which is accounted for on the accrual basis of accounting, the Schedule has been prepared on the cash basis of accounting.

NOTE B--FOOD DISTRIBUTION

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, 1999, the District had food commodities valued at \$5,311 in inventory.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Claymont City School District
Tuscarawas County
115 North Third Street
Dennison, Ohio 44621

To the Board of Education:

We have audited the general purpose financial statements of Claymont City School District, Tuscarawas County, Ohio, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999, in which we noted the District changed its method for accounting and reporting for its Energy Conservation Loan. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 1999-11279-001.

We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 17, 1999.

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.

Claymont City School District
Tuscarawas County
Report of Independent Accountants on Compliance and on
Internal Control Required By *Government Auditing Standards*
Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 1999.

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



JIM PETRO
Auditor of State

December 17, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

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

Claymont City School District
Tuscarawas County
115 North Third Street
Dennison, Ohio 44621

To the Board of Education:

Compliance

We have audited the compliance of Claymont City School District, Tuscarawas County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

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



JIM PETRO
Auditor of State

December 17, 1999

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

JUNE 30, 1999

1. SUMMARY OF AUDITOR'S RESULTS

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

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

JUNE 30, 1999
(Continued)

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

Noncompliance

Finding Number

	1999-11279-001
--	-----------------------

During both 1998 and 1999, we noted Ronnie Vinci, former Middle School Principal, accepted payments in the amounts of \$1,690 and \$1,850, respectively, from Main Street Tours, the 8th Grade Washington, D.C. trip consultant. In neither case were the payments provided to the District for deposit into an appropriate District account. The District Guidelines governing professional employees specifically prohibits such employees from accepting any commission or gift from a company doing business with the district. Further, pursuant to Ohio Rev. Code Section 117.01, any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of the public office constitutes public money that should be deposited with the District.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies collected but not accounted for is hereby issued against Ronnie Vinci, former Middle School Principal in the amount of \$3,540 and in favor of the Claymont City School District Special Revenue Middle School Principal's Public School Support Fund.

This matter will be referred to the City of Uhrichsville Law Director for whatever action is deemed appropriate.

The \$3,540 Finding for Recovery was repaid by Ronnie Vinci on December 28, 1999.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

CLAYMONT CITY SCHOOL DISTRICT
TUSCARAWAS 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.

By: *Susan Babbitt*

Date: JANUARY 27, 2000